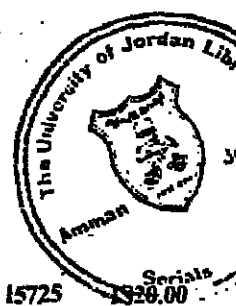


Monday, January 3, 1983

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## More rain expected through Wednesday

By YITZHAK OKED  
Jerusalem Post Reporter

**EIT DAGAN.** — The weather will continue cloudy and cold with light rain today, tomorrow and Wednesday in most parts of the country, Bob Olinisky of the meteorological service here said yesterday.

There are light flurries of snow in Jerusalem and vicinity and much heavier snow in the northern parts of the country and in Lebanon, especially in the mountains. Frost is expected with ground temperatures dropping to minus two degrees Celsius.

The Israeli Defense Forces in Lebanon have set up a special unit for snow-rescue operations. Known as the "Alpino unit" it is equipped with specially warm clothing and snow-shoes.

Yesterday in Jerusalem, rain replaced Saturday's snowfall, melting the snow from roofs and sidewalks.

Only a few of the fleet of emergency snow-clearing vehicles, which had been on standby on Saturday night, were needed yesterday to clear the roads.

Attendants at both elementary and secondary schools were hardly affected by the wintry weather.

Olinisky called the weekend rain in northern and central parts of the country "considerable and significant," with many places recording 60 to 110 millimetres.

He said the country had up to now received one-third more rain than the annual rainfall this time of the year. Many spots have already received about half their average rain.

Zeev Ashkenazi, managing director of Mekorot, the national water company, said Lake Kinneret's water level had risen by eight centimetres, which means an increase of 12.8 million cubic metres of water. The lake stands now at 213.61 metres below sea level, a high level for this time of year.

The lake's "full-mark" is 209 metres below sea level. Ashkenazi said that the country's man-made reservoirs were doing well. The newly completed reservoir at Revital in the northern Golan is full with 250,000 cubic metres.

Shlomo Levy, deputy managing director of the Insurance Fund for Natural Risks in Agriculture, told the *Jerusalem Post* there had been damage to agriculture due to hail and flooding.

Batya Yehzekiel, 48, and her year-old grandson were badly injured and hospitalized yesterday after the ceiling of their home in the Haikva quarter of Tel Aviv collapsed due to the wind and rain.

[Cold comfort for the old — Page 3]



Children from Kibbutz Kfar Hanassi in the Upper Galilee took off from school yesterday and romped in the thick snow blanketing the Biryeh Forest near Safad. (IPPA)

## Iraqi leader recognizes Israel also needs security

BAGHDAD (Reuters). — Iraq

yesterday released the text of a conversation between President Saddam Hussein and a U.S. congressman in which the Iraqi leader was quoted as accepting — apparently for the first time — Israel's need for security.

The discussion between Hussein and representative Stephen Solarz,

a member of the House Foreign Affairs Committee, took place on August 25. It was not known why the government decided to publish it now.

During the conversation, Hussein said he believed in the "existence of an independent Palestinian state accepted by the Palestinians," and added (Continued on Page 2, Col. 7)

## Egypt-Soviet economic ties improving

CAIRO (Reuters). — Foreign Minister Kamal Hassan Ali was quoted yesterday as saying that his country's relations with the Soviet Union were improving, but declined to say when full diplomatic ties between Cairo and Moscow could be restored.

Ali, in an interview with Cairo's mass-circulation newspaper *Al-Akhar*, said "Trade and economic ties between Moscow and Cairo are proceeding normally while cultural and technical cooperation is increasing."

In Baghdad, the daily *Al-Thawra* yesterday reported that a "distinguished Soviet personality" is expected to visit Cairo in the coming few weeks for talks on restoring relations. The newspaper, which speaks for the Iraqi Ba'ath Party, quoted Egyptian political sources as saying that "intensive contacts" have been underway between Moscow and Cairo on the visit during the past two weeks.

Egypt, under the late president Anwar Sadat, expelled the Soviet ambassador and other Soviet diplomats in September, 1981, accusing Moscow of inciting sedition in Egypt.

Nearly a decade earlier, Sadat, assassinated in October, 1981, ordered some 17,000 Soviet military advisers out of Egypt.

"The return of ambassadors to both capitals is a matter which I think will be dealt with at a time both governments deem suitable," Ali told *Al-Akhar* without elaborating.

Since President Hosni Mubarak came to office in October, 1981, relations between Cairo and Moscow have begun to thaw in what is widely seen here as a gradual and cautious process.

## Cabinet to discuss Egypt's criticisms

Jerusalem Post Reporter

The cabinet will discuss the continuous Egyptian criticism of Israeli actions and policies at one of its meetings in the near future.

Prime Minister Menachem Begin promised to put this issue high on the cabinet's agenda, in the wake of the demand by Energy Minister Yitzhak Moda'i that the Foreign Ministry issue a statement cautioning Egypt that its critical barrage was counter-productive.

Moda'i said at yesterday's weekly meeting, that since Israel must not remain silent in the face of Egyptian attacks, the Foreign Ministry should take the opportunity of reminding Egypt that since it had "benefited most from the peace with Israel, it should realize that its

strident tones of reproach could merely undermine the advantages it had reaped."

Replying, Foreign Minister Yitzhak Shamir said that while the atmosphere was unpleasant, Egypt had not violated any of its fundamental obligations under the peace agreement, and was adhering scrupulously to the terms of demilitarization. He said that once the Lebanese problem was eased, relations would become more cordial.

Begin, who agreed that when the peace had been signed such attitudes on Egypt's part had not been anticipated, said that the cabinet would do well to give the situation a thorough airing in a special discussion.

## Food, fuel up by 5 per cent

Post Economic Reporter

Prices for basic commodities, including petrol, went up at midnight by 5 per cent, and inter-urban public transportation costs will go up by a similar rate in two weeks. The hikes are part of the Treasury's policy of gradual price increases as envisaged in the economic plan announced last September.

The Finance Ministry also announced that urban public transportation fares will be raised at the beginning of next month by 10 per cent.

And the Energy and Communication Ministries will ask the Knesset finance committee this week to approve a 5 per cent rise in the price of electricity and postal and telephone rates.

The Treasury expects the inflation rate to be around 10 per cent this year (Continued on Page 2, Col. 7)

## Cabinet seeks delicate balance in the Shouf

By ASHER WALLFISH  
and DAVID LANDAU  
Jerusalem Post Reporters

Israel finds itself on the horns of a dilemma in the Shouf Mountains in Lebanon as local Druse and Christian Phalangist forces trade fire almost daily. Israel feels it cannot let down the Phalangists, since they are the political group in Lebanon pushing most forcefully for a peace settlement with Israel. At the same time, Israel dare not alienate the Druse; rather it must try to woo them away from the smothering embrace of the Syrians.

It was this dilemma, and the growing unpopularity of the IDF's continued deployment in the Shouf, that preoccupied the cabinet yesterday for much of its weekly meeting.

"Walking on eggs," was how one minister later described Israel's efforts to maintain a delicate balance in difficult terrain, inclement climate, and a complex political and strategic situation in the Lebanese mountains.

Prime Minister Menachem Begin stressed that Israel must stay put in the Shouf until the Syrians agreed to a mutual, partial pullback by both

armies. He chided ministers for proposing unilateral withdrawal by the IDF. This could only weaken Israel's position, the premier said. But the cabinet, after hearing extensive reports from top military officers and intelligence chiefs, resolved that the IDF's involvement in the internecine strife in the area must be kept to the absolute minimum.

Cabinet sources said if the IDF were to keep aloof altogether, carnage and mayhem would very likely ensue. The orders to the army, therefore, were to do what was necessary to maintain security —

and steer clear of any additional, non-essential involvement.

The cabinet sources pointed out that the IDF had in fact sustained very few casualties in the Shouf Mountains. Most of Israel's fatalities and injuries had been incurred these past weeks in the coastal area and around Aley on the Beirut-Damascus road. Nevertheless, the cabinet communique said steps had been taken among IDF units in the Shouf to cut down on casualties.

In the military and intelligence briefings to the cabinet yesterday, (Continued on Page 2, Col. 2)

## 25 killed in Tripoli clashes

BEIRUT (AP). — Pro-Syrian and Palestinian-backed militiamen traded artillery and sniper fire on the third straight day of a renewed battle for dominance of the northern port city of Tripoli, police reported yesterday.

Police had no casualty figures. But the Phalangist-run *Voice of Lebanon* radio station in Beirut said at least 25 people have been killed in the three-day hostilities in Tripoli, which broke out when a Syrian-sponsored truce broke down

on Friday after holding for less than 7 weeks.

Thunderstorms interrupted telephone communications between Tripoli and the rest of Lebanon, most of which was blanketed by snow that brought traffic between coastal and mountain areas to a standstill. Police had no reports of sectarian fighting between Christian and Druse militiamen in the Israeli-occupied Lebanese mountains yesterday.

## 'Gutsy' Liz carries on her peace mission

By DAVID LANDAU  
Post Diplomatic Correspondent

The Israel-Lebanon-U.S. negotiations are to be brightened up on Thursday by an addition to the American team: Elizabeth Taylor.

The movie superstar, undaunted by illness and injury, is pressing ahead with her solo peace mission: she is to meet with Prime Minister Menachem Begin in Jerusalem tomorrow, and — health permitting — fly to Beirut on Wednesday to confer with President Amin Jemayel.

On Thursday she has been invited, apparently by Defence Minister Ariel Sharon, to visit Kiryat Shmona, see the town which suffered so much from PLO harassment, and look in on the negotiations there.

A top Israeli negotiator, unapprised of the additional item on Thursday's agenda, reacted with alacrity to the news. "It'll be a welcome change," he said.

Taylor suffered painful injuries to both ankles on Saturday when her Mercedes limousine crashed at speed into the back of a Ford Cortina on a wet and treacherous Negev road.

The star was on her way to visit Sharon at his ranch —

and she insisted on going through with this visit as planned. "Incredible gutsiness," said Sharon's spokesman Uri Dan, whose Cortina it was that bore the brunt of Liz's limousine. Dan was shaken up himself — and later underwent tests alongside Liz and her companion, lawyer Victor Luna of Mexico, in Beersheba hospital.

Taylor told Sharon she would see both Begin and Jemayel — "Even on a wheelchair if need be." As Lily Sharon tended her swollen ankles, she plied the defence minister with political questions, punctuated with sighs of pain. "But she kept smiling," recalled Uri Dan, obviously smitten by the star despite his own cuts and bruises.

She had planned to go to Beirut today, but doctors insisted that she rest up in her Tel Aviv hotel suite before pursuing her peace effort.

Liz's visit to the emergency ward of Beersheba hospital was her second in three days. On Thursday she was taken in for a few hours with a respiratory complaint. But this was quickly put to rights, and she was able to dazzle the assembled company at a new year's eve dinner in Tel Aviv next evening.

## Begin wants new terms for Goren and Yosef

By DAVID LANDAU  
Post Diplomatic Correspondent

Prime Minister Menachem Begin has thrown his weight behind the demand that the incumbent chief rabbis, Shlomo Goren and Ovadia Yosef, be allowed to run for re-election. Accordingly, those favouring re-election are likely to triumph and the law, which bars the chief rabbis from serving for more than one 10-year term, will be amended.

Begin made his position clear at yesterday's cabinet meeting. He was not swayed by Justice Minister Moshe Nissim's argument that "personal legislation" — a tampering with laws in the interests of individuals — runs counter to the spirit of the rule of law.

Nissim (Likud-Liberals) and

religious affairs Minister Yosef Burg (National Religious Party) are apparently in the minority within the cabinet in their effort to hold the election under the present law and thus prevent Goren and Yosef from standing. Ministers Yitzhak Moda'i (Likud-Liberals) and Mordechai Ben-Porat (Independent) came out in favour of enabling the incumbents to run, and it was plain that they reflected the views of most of those present.

Begin agreed to put off a final decision until next week.

The premier is known to have a close and warm relationship with Ashkenazi incumbent Goren, and this is said to guide his attitude on the election issue. Goren visited Begin frequently during his recent mourning for his wife, Aliza, and

the premier is said to have found solace in the chief rabbi's support.

In addition, Goren's fervent support for the "Greater Israel" political philosophy has been helpful and encouraging to the prime minister over the years.

When the re-election issue first surfaced some months ago, Begin favoured amendment of the law that would enable the two incumbents to stay in office until the age of 70 (like judges) without the need to stand for re-election at all. (The chief rabbis are in fact judges; they are ex officio members of the Supreme Rabbinical Court.)

Now, however, the premier has abandoned that position in favour of a "compromise" — supporting elections this year as required by law but insisting that the law be

changed so that Goren and Yosef can run.

Rabbinical sources say that if Yosef runs he would be virtually unbeatable. It is unlikely, they say, that any other Sephardi contender would run against him, given his widely recognized preeminence among Sephardi rabbis.

Goren, too, would stand a fair chance of re-election, say these sources, though much would depend on who ran against him. The Ashkenazi chief rabbi, though recognized as a foremost halachic authority, is not universally popular either in the rabbinical world or in the political community. One frontrunner in a possible contest is said to be Tel Aviv veteran dayan Rabbi Yitzhak Koltitz.

## Inquiry panel will wind up its hearings by January 16.

By DAVID RICHARDSON  
Jerusalem Post Reporter

The Kahan commission has set Sunday, January 16, as the date for the completion of its hearings, according to an official announcement yesterday.

The commission yesterday completed the second stage of its inquiry into the massacre of Palestinians in Beirut refugee camps, settling for a written reply from Defence Minister Ariel Sharon instead of a personal in camera appearance as originally scheduled to reply to two questions.

Sharon had been summoned by the director of military intelligence, Aluf Yehoshua Saguy, but following an agreement on Saturday evening between the legal representatives of both men, the minister was able to reply in writing.

Nine persons, including Prime Minister Menachem Begin, Sharon, Foreign Minister Yitzhak Shamir, Chief of Staff Rav-Aluf Rafael Eitan and the director of the Mos-

sad were warned late in November that the commission's inquiry or its findings were liable to harm them.

Since then the commission has been hearing witnesses called by some of the nine and has received written statements and clarifications from others. Most of these hearings were closed to the public and press although legal representatives of all nine involved were present in all of the sessions.

The three members of the commission, Supreme Court President Justice Yitzhak Kahan, Justice Aharon Barak and Aluf (Res.) Yona Efrat, met with the lawyers yesterday and set Wednesday, January 12, as a deadline for all written summations. Four days later each of the nine persons warned or their advocates may appear for 40 minutes and make a final summing-up of their responses to the letters.

The commission will then adjourn to consider the material it has gathered and write its report.



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## The weather at major Swissair destinations

2.1.1983	MIN	MAX	
AMSTERDAM	3	37	Clear
BRUSSELS	2	28	Clear
BUENOS AIRES	21	34	Clear
CHICAGO	-3	26	Cloudy
COPENHAGEN	4	29	Bain
FRANKFURT	-3	27	Cloudy
GENEVA	8	21	Clear
Helsinki	4	20	Clear
HONG KONG	17	63	21
JOHANNESBURG	2	20	15
LONDON	5	41	8
MADRID	3	27	8
MONTREAL	13	3	28
NEW YORK	1	36	9
OSLO	5	41	2
PARIS	1	30	7
RIO DE JANEIRO	21	30	31
STOCKHOLM	2	28	3
TOKYO	3	27	8
TORONTO	12	10	1
VIENNA	2	26	4
ZURICH	8	21	4

For the latest weather conditions, contact Swissair.  
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Haifa: 2 Sea Road (04) 84655

swissair

## THE WEATHER

Scattered showers in most parts of the country. Temperatures will remain low.

Yesterday's	Humidity	Min-Max	Today's
Jerusalem	90	0-5	5
Genoa	97	0-5	5
Nahariya	52	1-14	15
Safed	89	1-2	3
Haifa Port	58	4-12	13
Tiberias	83	6-11	12
Nazareth	89	3-7	7
Afula	86	7-11	12
Shomron	92	1-8	8
Tel Aviv	86	8-13	13
B-G Airport	90	7-10	11
Jericho	73	7-14	15
Gaza	74	7-12	13
Beerseha	81	4-9	10
Elil	32	5-15	16

## SOCIAL & PERSONAL

An Anti-Defamation League delegation from the Boston area yesterday visited the Weizmann Institute of Science where it was welcomed by president, Prof. Michael Sela. Members of the delegation included Senator and Mrs. P. Tsongas, as well as Mr. R. Arenburg, Ms. N. Bennett, Father John and Mrs. Niki Serantos, Mr. and Mrs. D. Kanin, Mr. S. Kay, Mr. and Mrs. W. Sapers, Mr. and Mrs. G. Slovin, Mr. D. Strassler, and Mr. and Mrs. L. Zakim.

Yehudit Heubner, deputy director-general of the Interior Ministry, has been appointed chairwoman of the Council of Israeli Women's Organizations. She succeeds Dr. Yael Altmann, of Na'amat.

An exhibition of paintings by the late Reggie Weston was opened at Atelior Reggie Weston, 260 Rehov Hayarkon, on Saturday, to commemorate the 15th anniversary of his death.

Rotarian M. Klatner will address the Ladies Night of Jerusalem Rotary West at the King David Hotel at 8 p.m. tonight. Her subject will be "A Tourist Trip to China."

Prof. Homer Neal, Provost of the State University of New York at Stony Brook, yesterday visited the Weizmann Institute of Science and was received by its president, Prof. Michael Sela.

## ARRIVALS

Senator Paul Tsongas, Democrat of Massachusetts, arrived yesterday with a group from the Anti-Defamation League of B'nai B'rith for a five-day visit.

## Ehrlich off to Puerto Rico

By YITZHAK OKED  
Jerusalem Post Reporter  
TEL AVIV. — Agriculture Minister Simha Ehrlich left for Puerto Rico yesterday to discuss increased aid and trade with the Caribbean island. Israel already sells agricultural equipment to Puerto Rico and, according to Agriculture Ministry sources, there are hopes for substantial increases in these sales.

It was also learned that Ehrlich is planning to offer to send agricultural experts to advise Puerto Rican farmers. Many Israeli businessmen are already active in Puerto Rico's agricultural sector on a private basis. They have established farms which specialize in producing vegetables for export to the U.S.

According to the ministry source, a Spanish-language television station in New York which aims its broadcasts at Puerto Ricans in the U.S. has dispatched a team to cover Ehrlich's visit.

The minister plans to visit Jamaica and Barbados after he completes his visit to Puerto Rico.

## 2 attacks on soldiers in Sidon — none hurt

No one was hurt in two separate attacks on IDF troops in Sidon yesterday.

An IDF convoy was fired on when travelling through the town; soldiers in the convoy returned the fire. In the other incident, an explosive charge went off near an IDF vehicle.

In both instances, the surrounding area was closed off and security forces conducted searches. A number of arrests were made.

IDF soldiers in Lebanon have been ordered to shoot back whenever they are attacked. (Itim)

## HOME NEWS

## Unions soften opposition to public sector accord

Jerusalem Post Reporter

TEL AVIV. — Some trade unionists who opposed the wage agreement which the government and the Histadrut signed last week appeared less dissatisfied yesterday after talks within the trade union department.

After consultations among the heads of 15 trade unions which struggled for wage increases in the public service sector, Raya Rettig, of the Social Workers' Union, said she would recommend that her union join the agreement. "There is no other way," she told *The Jerusalem Post*.

The formal decision will be taken by her union's institutions next week after running the new wage scales through a computer, she said.

Mordechai Gani, head of the 25,000-strong Union of Social Sciences and Humanities graduates, said he had a "good" meeting with trade union department chairman Israel Kassar. Gani who wants the monthly starting wage to be IS17,000, instead of IS12,000, and to

solve the specific problems of psychologists, librarians and others, said talks with the Histadrut would continue "to create conditions which would enable the union to join the agreement."

Moriah Galili, of the Nurses' Union, said she was waiting for talks with employers before raising specific demands.

The country's high school teachers, who were to have stepped up their sanctions this morning, have postponed their decision in the light of their meeting with Education Minister Zevulun Hammer on Thursday.

Representatives of the Secondary School Teachers' Association will meet with the minister to discuss delays in implementing the Etzioni recommendations on teachers' pay.

High school teachers are currently teaching, but not marking exam papers or grading students' work. They will continue their sanctions at this level until the results of Thursday's meeting are known.

## Warning for Haifa strike-breakers

Jerusalem Post Reporter

HAIFA. — Labour Council secretary Moshe Werman yesterday warned that the council would take action against public service employees in Haifa who broke last week's strike and went to work.

He said the council would withhold its services from strike-breakers if they became involved in professional disputes with their employers.

The council spokesman said there had been very few individual strike-breakers in Haifa.

Meanwhile, mayors and local council heads in other areas will decide this week whether to dock the salaries of the 60,000 to 80,000 local authority workers who struck for five days last week.

Local authority union chairman Pinhas Eylon said that after the mayors and council heads decide they will discuss it with the clerks union. The mayors, he said, would probably make deductions from strikers' pay, but exceptions would have to be made for garbage collectors, who have more work now due to the accumulation of garbage.

## Leisurely return for El Al

By JOSHUA BRILLIANT  
Jerusalem Post Reporter

TEL AVIV. — El Al yesterday mobilized some employees to check its computer and other systems, but generally the airline appeared to be taking its time before resuming its flights.

Rafi Harlev, El Al's new president, said he believed the first flight would take off next week or the week after. No flights would leave before the Knesset Finance Committee approved \$45 million for the initial operating capital, the *Post* was told. Officials estimated that El Al would need at least that amount for the first three months.

Meanwhile, officials were studying various aspects of the airline's operations, such as its route structure, to decide where to fly to and how often.

According to a well-placed government official, El Al will not be back to normal before the end of March.

Preparations were slow also because the pilots had not accepted the labour agreement that the Histadrut and the airline's temporary receiver had concluded.

Legally, the Histadrut's signature binds the pilots, but the airman nevertheless decided to press for special concessions.

They were demanding special representation rather than being represented with El Al's other workers in an all-encompassing staff committee.

The pilots claimed they should have independent representation because ground workers should not have a say in their work and their conditions of employment. Ground workers, they said, did not understand their special problems.

Last week, Captain Yitzhak Gonen, head of the Israel Airline Pilots Association (IALPA), said the pilots had reached agreement with the Histadrut. Under this agreement, the joint staff committee would include pilots. However, when questions arose that specifically concerned the pilots, IALPA would be a party to the talks, as the pilots' trade union.

But IALPA's leaders yesterday claimed that the Histadrut had failed to honour its word.

Gonen claimed the Histadrut did not provide for a separate agreement for the pilots, but labour federation legal advisor Odded Calamara insisted last night that "no one misled them." He said the chairman of the Histadrut trade union department, Israel Kassar, "delivered what he had promised — but they want more."

## Blind man, woman soldier killed in road accidents

Two persons were killed in traffic accidents during the stormy weather yesterday and Saturday, *Itim* reported.

Yitzhak Yerushalmi, 70, a blind man from Ramat Gan, was hit by a private bus while he was crossing the road near his home early yesterday morning. He died at Sheba Hospital.

The driver of the bus was arrested and told investigators that the bad weather had impaired his vision.

A woman soldier, Dina Da Silva, 19, was a passenger in a police jeep which overturned on a slippery road in Ashkelon during Saturday's rainstorm. She died in the Barzilai Hospital. Two policemen, one of them the driver of the jeep, were

badly injured.

David Rudge adds:

Angry residents of Nahariya and surrounding settlements will stage a demonstration here tomorrow to protests delays in improving the Acre to Nahariya road — known locally as "death highway."

They plan to line both sides of the road holding placards. Four members of the Pariente family of Nahariya were killed two weeks ago in an accident on this road.

The demonstration has the backing of Mayor Ephraim Sharir, local hoteliers, businessmen, the local labour council and other organizations. Factories are allowing employees to leave work earlier to participate in the protest.

## IDF captain buried in Kiryat Shaul

TEL AVIV (Itim). — Seren (Captain) Yeshaihu Lavie, 28, of Ra'anana, was buried yesterday in the military section of the Kiryat Shaul cemetery. Lavie, an artillery officer, was ambushed and shot on Saturday while on reserve service in Lebanon. He died of his wounds a

few hours after being shot.

Another officer was wounded in the incident, which took place near Kfar Sil, south of Beirut.

Lavie was a physics lecturer and doctoral student at Tel Aviv University. He is survived by his wife and son.

(Continued from Page One)

The Druse fighters in the Shouf were depicted as the stronger, more militant and currently more successful force. Ministers were told that the Druse were determined to carve out a virtual autonomy for themselves in the mountains. For years now they had sought to push the local Christian villagers northwards out of the area. The 30,000-odd Christians who remained often lived as veritable vassals to their Druse neighbours.

Now, in the wider political uncertainty that shrouded all of Lebanon, the Druse seemed to be calculating that whatever the eventual settlement the Syrians would remain relatively close at hand and their influence in the mountains would continue to be significant.

Israel is apparently seeking to persuade the Druse to take a more detached view of the Syrians. At the same time, Israel must take account of its own significant Druse minority — and avoid taking sides against the Druse in Lebanon.

The Shouf problem, brought

home to the general public in a recent, controversial television news-story (in which soldiers were shown singing a macabre ditty), is but one piece of the complex Lebanese mosaic. One cabinet minister told *The Jerusalem Post* that a report on the progress of the Israel-Lebanon negotiations had seemed to him somewhat "blurred." This minister was less sanguine than the official government spokesmen whose line, after two rounds of the talks, is that they are going well despite the deadlock over definition of the normalization item in the agenda.

The cabinet yesterday in effect approved the instructions given to the negotiators at the weekend by Defence Minister Ariel Sharon and Foreign Minister Yitzhak Shamir. To be flexible regarding the linguistic formulation of the item — but to stand firm on its essential content. There must be real political substance implied in the agenda item, not merely a rehash of the long-defunct armistice provisions.



One of the Beduin tents at Tel Malhata, east of Beersheba, due to be evacuated to make way for the new IDF airbase. (Liora Moriel)

## Arafat holds out olive branch, waves rifle

Post Mideast Affairs Reporter and agencies

PLO Chairman Yasser Arafat was quoted as saying yesterday that his organization would continue the "loud politics" of military action against Israel while at the same time supporting bids for Middle East peace.

Arafat told the Egyptian weekly *Rose al-Youssef* that "we did not and will not abandon the military option," noting that he viewed fighting to be "loud politics."

But he also told the paper in the course of an interview given at his new headquarters in Tunis that the PLO supports "every constructive aspect in any offered initiative."

In an earlier interview with the Egyptian weekly *al-Mussawar* last week, Arafat made it plain that this included the Middle East peace plan floated by U.S. President Ronald Reagan last year, which the PLO has not formally rejected despite its strong reservations about

that plan's failure to provide for an independent Palestinian state on the West Bank.

He also indicated, in his most unambiguous statement on the subject to date, that the PLO might be prepared to recognize Israel on a mutual basis, although it would not do so unilaterally, as proposed by Egypt, in order to facilitate a dialogue with the U.S.

Meanwhile, a source close to the PLO leadership in Tunis was yesterday quoted as saying that the organization's commanders had been holding urgent discussions in recent weeks to decide on a new military strategy in the wake of the debacle in Lebanon.

Henceforth, the source is quoted as saying, the PLO would drop the idea of waging a war of liberation and concentrate instead on guerrilla warfare in the territories occupied by Israel.

For this purpose, the source said, the organization's fighters would be concentrated in one or two bases.

The source is not quoted as saying where these bases would be.

Arafat spoke of the need for the PLO to reorganize its forces at a rally held in Algeria on Saturday night to mark the 18th anniversary of the founding of his Fatah group, which today accounts for some 80 per cent of the PLO's total strength.

He also confirmed that the Palestine National Council — the PLO's top decision-making body — would be meeting in Algiers on February 14 to discuss the organization's future course.

This will be the first time since the PLO's ouster from Beirut last August that the PNC is being convened. Many observers believe that the meeting will be the scene of a major showdown between Arafat, who heads the dominant moderate camp favouring a major role for diplomacy in the struggle against Israel, and the smaller radical groups which are fundamentally opposed to any political deal with Israel.

## Nissim wants to restrict lawyer-MKs

By ISRAEL AMRANI  
Jerusalem Post Reporter

Justice Minister Moshe Nissim yesterday said that if the Knesset does not write its own rules restricting MKs who are lawyers from practising law in conflict with their parliamentary duties, he would be forced to consider adopting the Israel Bar Association's proposed rules restricting such MKs.

Nissim told *The Jerusalem Post*, however, that he would take this extreme step only if he is left with no other choice. He maintained, however, that the issue of "MKs conflicting interests must be solved within a 'definite period'."

Currently, no laws or rules restrict MKs from taking on cases that may be influenced by or may influence their parliamentary work.

MK Eliezer Kulak (Likud) last

month proposed a set of rules to the Knesset House Committee, but these are believed to be much too soft, and are not expected to be approved.

"I think that setting rules in this matter must be done by the Knesset itself," Nissim told *The Post*, "and by no means by an outside body. But I intend to instruct the House Committee and the Ethics Committee to draft adequate norms in this issue that may satisfy me, otherwise I will have no choice but to consider the rules proposed by the Bar Association."

Nissim's adoption of the bar's rules is necessary to make them valid. The rules, published on December 1, define what MKs may and may not do if they wish to retain their bar membership. One such rule, for example, would prohibit MKs from taking on as clients

bodies that come under the purview of the State Comptroller, including government and municipal agencies, the defence establishment, universities, sick funds, hospitals and many others.

According to unofficial sources, Nissim may try to impose his own rules, now being drafted by Justice Ministry personnel. It is believed that Nissim will give the Knesset committees a chance to make up their own rules, then try to push his own proposed rules, and only then, if everything else fails, adopt the bar's rules.

Last week, Nissim met with a delegation headed by bar President Aharon Goldenberg which attempted to persuade Nissim to adopt the rules proposed by the association. Nissim refused, but admitted that the present situation is bad and getting worse.

## West Bank builder cleared of blackmail, assault charges

TEL AVIV (Itim). — A building contractor from the West Bank settlement of Elkana was acquitted here yesterday of charges of blackmail, assault and threatened assault, after serious doubts were raised about the credibility of prosecution witnesses.

Moshe Reich, 38, was indicted last April in district court on charges of conspiring to force Arab villagers in Samaria to sell him land. Reich was also charged with striking an Arab who refused to cooperate.

Reich was imprisoned for four months during his trial. But yesterday prosecutor Yehudith Amsterdam asked to withdraw the charges

against Reich, after she had learned that one of the prosecution witnesses had perjured himself.

Defence lawyer Uri Wegman said he was not surprised by the prosecution move, having been advised by Central District chief prosecutor Sarah Sirota on Friday that such a step was being considered. Wegman said, however, that the district attorney's office should investigate irregularities committed in the preparation of the charge sheet against his client.

Judge Aryeh Even-Ari, in his acquittal decision, noted that after hearing the seven prosecution witnesses, he began wondering whether the right man was sitting in the dock.

## Lebanon Druse wait for Sharon meeting

JULIS (Itim). — A group of Druse notables from the Alea area in Lebanon have been waiting here for two weeks for a promised meeting with Defence Minister Ariel Sharon.

The notables want to discuss with Sharon their worsening relations with the Phalange in the area. They were told two weeks ago by a "source close to the defence minister" that the meeting would take place "soon."

The Druse want urgently to discuss the possibility of lifting the sieges in the villages around Alea.

Druse in northern Israel have promised the delegation that they will do all they can to help.

## Armed youths snatch IS44,000 from clerks

HAIFA (Itim). — Two youths held up three clerks at a Kiryat Ata post office with revolvers yesterday evening and made off with about IS44,000 in cash, police reported.

A police patrol arrived at the scene as the robbers were making their get-away but were unable to arrest them.

day on the eve of the third session of talks with the U.S. and Israel on the withdrawal of all foreign armies from Lebanon.

The consultations followed a two-hour meeting in Beirut between Lebanese Foreign Minister Elie Salem and U.S. special envoy Morris Draper, who heads the American side in the talks, state radio reported.

## Maccabi beat Red Star

Maccabi Tel Aviv beat Red Star Belgrade 91-89 in the semi-final of the annual New Year basketball tournament at London's Crystal Palace last night.

By defeating Red Star, currently second in the Yugoslav league, Maccabi now will meet host club Crystal Palace in the tournament final.

In the junior men's final Red Star Belgrade defeated Maccabi Tel Aviv 72-69. In the women's final Klosterneuburg of Austria beat Tungsram Budapest of Hungary 68-54.

(See page 4)

## Begin seen intervening in Beduin case

By LIOIRA MORIEL  
Jerusalem Post Reporter

BEERSHEBA. — Binyamin Gur-Arye, the prime minister's adviser on Arab affairs, promised yesterday that Prime Minister Menachem Begin will see whether the evacuation of Beduin families from Tel Malhata, east of here, can be postponed.

Gur-Arye said this at a meeting with representatives of the families, who are living in the vicinity of a planned IDF airbase. He agreed that the reasons given by the Beduin for a postponement were convincing. The Beduin argued that some of them had not yet been given alternative land and that winter was a difficult time to move.

The director-general of the prime minister's office, Mattitiah Shmuelovitz, told *The Jerusalem Post* last night that, as far as he knew, Begin was planning to postpone the evacuation.

In a related development, the new Negev township of Rahat yesterday got its own labour council, the first Beduin labour council in the region. Taleb Abu-Hani, 35, was appointed council head. Rahat, one of four permanent Beduin settlements being built in the Negev, is situated near Kibbutz Shuvai some 15 kilometres north of here.

## FOOD, FUEL

(Continued from Page One)

crises to raise the Consumer Price Index by 0.3 per cent.

The following is a list of some of the price changes including VAT:

	Old	New
Milk (litre)	9.90	10.40
White bread (loaf)	5.05	5.30
Cooking oil (litre)	26.15	27.30
Margarine 250 gr.	7.60	8
No. 2 Chicken per kg.	71	75
No. 1 egg	2.50	2.60
Mixed meat per kg.	166	174

Prices for all fuels, except kerosene, also rose at midnight by 5 per cent, the Energy Ministry and the Treasury announced. Kerosene went up by 2.5 per cent.

Energy minister Yitzhak Moda'i decided on a smaller rise for kerosene to ease the heating expense burden for lower-income families. The price of kerosene was not raised a month ago when other fuels went up by 5 per cent.

The following is a list of the price changes:

	Old	New
Petrol, 94 octane	21.60	22.70
Petrol, 91 octane	19.90	20.90
Diesel fuel	15.70	16.50
Kerosene	16.80	17.20
Cooking gas, 12 kg. container	244.90	258.90
Heavy fuel for industry (ton)	6,364	6,682
Heavy fuel for electricity (ton)	5,843	6,135

\*Not including VAT

## IRAQI

(Continued from Page One)

ded that "it is also necessary to have a state of security for the Israelis."

He told Solarz: "No single Arab official includes in his policy now the so-called destruction of Israel or wiping it out of existence, but there is not one Arab who believes in co-existence with an aggressive and expansionist entity."

Diplomats here could not recall Iraqi leaders making any previous utterances of the kind made public yesterday.

The discussion took place about two weeks before an Arab summit in Morocco implicitly accepted Israel by agreeing on a Middle East peace plan providing for U.N. Security Council guarantees of peace for all states in the region.







## Nine African states call on S. Africa to work for peace

HARARE, Zimbabwe (Reuters). — The head of a nine-nation group of southern African states has appealed to South Africa to join its black neighbours in creating a new era of stability to allow the region to develop for the good of all.

Arthur Blumeris, executive secretary of the Southern African Development Conference (SADCC), which embraces 60 million people in sub-Saharan Africa, suggested time could be running out for peace, unless South Africa changed its policies.

Members of SADCC — Zimbabwe, Zambia, Mozambique, Angola, Malawi, Botswana, Tanzania, Lesotho and Swaziland — accuse the white-ruled republic of a regional campaign of destabilization aimed at keeping its black neighbours economically dependent.

"Our people are not militant," Blumeris said in a weekend interview. "But there is a limit to the

patience of people with their backs to the wall. Why are they (South Africa) driving our peoples to the wall?"

Blumeris, a career diplomat with wide international experience, said the U.S. or Britain should intervene.

The two countries are important business partners of South Africa and prominent aid donors to SADCC nations.

The nine nations set up SADCC to help themselves out of a morass of poverty and under-development and to reduce their colonial inheritance of dependence on the factories and transport routes of South Africa, whose racial policies they find repellent.

The nine accuse South Africa of trying to force them back into the fold by sponsoring guerrilla movements in Mozambique and Angola which constantly attack their alternative roads, ports and railways. The South African government denies the charge.

## France firm on missiles

PARIS (AP). — France will not reduce the number of its nuclear missiles and U.S.-Soviet talks in Geneva "is none of our affair," President Francois Mitterrand told French television interviewers yesterday.

Responding to questions about Soviet President Yuri Andropov's recent offer to reduce medium-range Soviet missiles in Europe to the level of those of France and Britain, Mitterrand said: "We will not reduce a single one of our missiles. ... There is no point in dreaming."

"There is no direct relation between the situation of the two superpowers and the situation of France."

Mitterrand said he favoured a balance of forces in Europe, a balance which he said does not exist. He hoped the arms reduction talks in Geneva would succeed, but if they did not, it would be "normal that the Pershings be installed in Europe."

Asked about the possibility of a Franco-Soviet summit, Mitterrand said:

"We will certainly discuss it, the sooner the better, but that supposes new dispositions on certain major points," referring to the situation in Poland and Afghanistan.

COMEDIAN. — Comedian Jerry Lewis, 56, was discharged from Las Vegas hospital on Saturday night after recovering from an operation to bypass two coronary artery blockages.

## Corsican separatists start new year with bomb attacks

PARIS (AP). — Three explosions rocked the French Mediterranean island of Corsica late Saturday and early yesterday, continuing the wave of violence that marked the last five months into the new year and presaging a stepped-up offensive by separatists.

President Francois Mitterrand, in a television interview yesterday, commented on the attacks by saying no "compromise is possible when the national community is questioned" and that the law "will dictate the policy of the government" with respect to Corsica.

A 71-year-old pensioner was slightly wounded in the face when an explosion ripped through a hotel restaurant in Ajaccio, the island's regional capital, destroying three rooms and blowing out doors and windows about midnight.

Another explosion severely damaged a pharmacy in Petreto-Bicchisano owned by Thierry Cazon. It was the second attack on Cazon, a 37-year-old mainland lawyer who told the police he had been threatened several times for refusal

to pay a 3,000-franc (\$450) a month "revolutionary tax."

No claims of responsibility had been received yesterday for the latest bombings, but police were working on the assumption that the attacks were carried out by the clandestine Corsican National Liberation Front (FLNC). The FLNC is a small group of extremists who are waging a battle against what they call French colonization of the island.

Corsica, a rugged mountainous island of 235,000 inhabitants about 200 kilometres southeast of the mainland, has been French since 1768, and is divided into two counties or departments, with the same rights as continental France.

The FLNC represents a small but very active minority among Corsicans. Police estimate the organization's hardcore independence-seeking membership at about 200.

The Mitterrand government and its socialist parliament voted a special statute for Corsica last year, a law giving the islanders more say over their own affairs, including a new regional assembly that was elected in August.

## Thatcher gets report on prelude to Falklands war

LONDON (AP). — Prime Minister Margaret Thatcher has been given the report of the Franks Committee on events leading up to Argentina's invasion of the Falkland Islands last April, her office said yesterday.

A spokesman said the report had been received on Friday and was now under study, but he could give no indication of when or how much of it would be made public.

The committee, headed by Lord Franks, was appointed by the Premier after Argentina's June 14 surrender at Port Stanley to investigate the handing of the Falklands crisis by government officials.

Meanwhile, formerly secret documents released on Saturday

show that prime minister Winston Churchill considered sending British soldiers and artillery to the Falkland Islands in 1952 after a skirmish in a Falklands dependency between Argentine troops and British scientists.

Even though the Argentine government reprimanded its navy commander and apologized to London after the so-called Hope Bay Incident, minutes of a February 18 staff conference attended by Churchill read:

"The prime minister has suggested that it would be well in existing circumstances to send a company of British infantry to the Falkland Islands secretly and at once."

## U.S. warning halts Pakistan bomb test

LONDON (AP). — Pakistan has postponed indefinitely plans for an underground nuclear test following American warnings to President Zia Ul-Haq that such an explosion would have serious consequences, the Observer newspaper reported yesterday.

Quoting "highly placed sources in Islamabad," the respected London weekly said Zia was given the warnings during his visit to Washington last month.

The Pakistani decision, said the

paper, "does not prevent continuing research and development, taking Pakistan right up to the brink of weapons-making capability but stopping short of a test."

Western intelligence officials have long believed that Pakistan's ambitious nuclear programme, which includes a heavily guarded uranium enrichment plant outside Rawalpindi, a nearby plutonium reprocessing plant and a Canadian-built power reactor near Karachi, had the aim of producing the Islamic world's first atomic bomb.

## Chinese prime minister arrives in Zaire

KINSHASA, Zaire (AP). — Chinese Premier Zhao Ziyang, accompanied by a 64-member delegation, arrived in Kinshasa yesterday on the sixth leg of a month-long tour of Africa. He was met by Zairean Prime Minister Kengo Wa Dondo.

Zhao, who came from Libreville, Gabon, said the purpose of his trip was to "inform himself about the African people, to promote understanding and friendship and to reinforce solidarity and cooperation between the continent and China."

## Egyptian statue found in New York trolley station

NEW YORK (AP). — A 3,000-year-old Egyptian statue from the reign of Ramses II and once in the British Museum has been found in an abandoned trolley station in Chautauqua, New York.

"This is a major find. It has been lost for nearly a century," said James Romano, associate curator of Egyptian and classical art at the Brooklyn Museum. "It is a key monument in the development of Egyptian new kingdom art."

Romano said the transatlantic move of a one-metre high black granite statue of Merenptah, a royal character, dating from about 1300 B.C.E., was previously unknown to Egyptologists.

"Somehow that figure, which was removed from the Egyptian Delta in the 1880s and was later in the collection of the British Museum, where it was placed in the portico, worked its way up to upstate New York."

The discovery of the statue, to be auctioned by Sotheby Parke-Bernet in New York, was reported by Philip Zimmer, director of communications of the non-profit Chautauqua Institution, a non-profit arts centre which has the statue.

Zimmer said the sculpture was found crated in the corner of an unused room in a sprawling former trolley station, now part of the arts centre, in the summer of 1979.

A 17-year-old archeology student working at the centre helped unravel the mystery and Romano finally identified the statue through photographs.

The statue was a gift to the Chautauqua Institution by the Egyptian Exploration Society. It had been found in the 1880s by William Matthew Flinders Petrie, a British archeologist and Egyptologist, on a dig in Deffneh.

## Kerala said calm after 3-day riots

NEW DELHI (AP). — Army units were withdrawn yesterday from Trivandrum as the situation in the city and other parts of Kerala state returned to near normalcy after three days of Muslim rioting and arson, authorities reported.

Thousands of paramilitary troops and armed policemen, however, continued to patrol all the riot-battered cities, including Cochin, Alleppey, Tellicherry and Trivandrum, the state capital.

Widespread violence broke out last Thursday during a statewide general strike called by Muslim groups to protest the death of one person, in Alleppey, 600 km. southwest of Madras, when police fired to scatter a rioting section of a Muslim religious procession.

Muslim mobs attacked police with brickbats and acid-filled bulbs and set fire to dozens of homes, shops and vehicles in Trivandrum and other cities. One person was reported burned to death in Trivandrum.

## Four dead in Haiti car bomb blast

PORT-AU-PRINCE (AP). — Four people were killed and nine others injured, some of them critically, when a bomb exploded early on New Year's Day in a rented car parked two blocks from the presidential palace here.

Police said the car in which the bomb was placed had been rented by an American who had given the rental agency "false information." Police did not identify the man further or indicate the nature of the information.

## Sports

### Ramat Gan finish with a flourish

Post Sports Staff

Hapoel Ramat Gan wound up their participation in the Xmas basketball tourney in Holland with a morale-boosting 101-85 victory over Elmer Leiden last night. The match sends Ramat Gan in good spirits back into their resumed European Cupwinners' Cup tie next week. The result left them a second spot in the competition that was won by Berlin Turin who had triumphed over the Israeli club by two points at the end of the last week. Or Goren with 26 points and Cliff Ponderox 20 led the way in yesterday's game.

In London, Mickey Berkowitz was back in sterling form as Maccabi Tel Aviv swamped another British club to stride into the semifinals of the Crystal Palace tournament. Berkowitz grabbed 37 points and Zimmerman 20 as the Israeli champs downed Solent Stars of Southampton 92-68. Maccabi were without Earl Williams who had been given a one-game suspension for a disciplinary offence in the previous game.

The host club Crystal Palace have battled their way into the final with a 83-78 victory over their perennial rivals Sunderland.

Maccabi's juniors last night lost in the final of the youth event to Red Star of Belgrade. The score was 72-68.

In the NBA the Denver Nuggets piped the Phoenix Suns 127-125, the Detroit Pistons powered to a 117-105 triumph over the San Diego Clippers, the Portland Trail Blazers pummeled back the Golden State Warriors 102-94, the Boston Celtics topped the Utah Jazz 122-112, the New Jersey Nets trounced the Dallas Mavericks 111-105 and the New York Knicks outplayed the Washington Bullets 90-77.

### Lions stake true claims to be No. 1

NEW YORK (AP). — Penn State, Nebraska and Southern Methodist all staked a claim to U.S. College Football's national title with New Year Day Bowl victories.

Penn's Nittany Lions, ranked second to previously unbeaten and no. 1 rated Georgia, rode the running of Curt Warner and the passing of Todd Blackledge to a 27-23 decision over the Bulldogs to capture the Sugar Bowl.

The win may have ensured Penn their elusive first national college championship. The Lions built a big lead on touchdown runs by Warner and field goals of 38 and 45 yards by Nick Gancitano. Then, they withstood a lightning Georgia strike that produced a touchdown with five seconds left in the first half, plus a 69-yard drive following the second-half kickoff. Both teams wound up with 11-1 records.

Turner Gill scored the go-ahead touchdown on a 1-yard sneak early in the fourth quarter as third-ranked Nebraska, stymied by mistakes, rallied to trim No. 13 Louisiana State 21-20 in the 49th Orange Bowl in Florida. The nation's most prolific offensive football machine fell well short of their 41-point average after self-destructing. The Nebraska Cornhuskers who had ailed 17-7 loss four fumbles, had two passes intercepted and also missed a field goal.

Southern Methodist, ranked fourth, finished as the only major college without a loss as the Mustangs, 11-0-1, downed Pittsburgh 7-3 in the Cotton Bowl.

In other games having no effect on the battle for the top spot, it was UCLA 24-14 over Michigan in the Rose Bowl, and Arizona State 32, Oklahoma 21 in the Fiesta Bowl.

SPORTS DIVIDENDS: The host of draws caused by the bad weather did not put off six punters who returned an all-correct entry for the weekend football pools and coupled the top prize to win \$2,685,000 a piece, 12 correct is worth \$154,950; 11-151,080 and 10-15145.

### Offer for Lease of Plot for Commercial Construction at Ramot Quarter(20), Jerusalem

Tender No. JM/82/83

The Israel Lands Administration invites bids for a development contract for the area, details of which at the time of publication of the tender, were as follows:

Municipal building plan	Parcel/plot	Approx. area (sq.m.)	Development costs (NIS)	Minimum price (NIS)	Deposit (NIS)
2263	54	480	2,139,662	1,507,095	75,000

In accordance with Municipal Building Plan 3362: Lower level, 5 shops on 253sq.m. built-up area. Upper level, cafeteria on 90sq.m. built-up area.  
Linked to November 1982 building tender, and to be paid separately to Arim Company. Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, 12th floor during regular working hours. Deadline for submitting tenders bids is January 24, 1983. Bids not found in the tenders postbox by the above date will not be considered.  
The Israel Lands Administration does not undertake to accept the highest bid or any other bid.

### Offer for Lease of Plot for Construction of Apartment House in Baka Quarter, Jerusalem

Tender No. JM/82/84

The Israel Lands Administration invites bids for a development contract for the area, details of which at the time of publication of the tender, were as follows:

Block	Parcel/plot	Approx. area (sq.m.)	Floors (no.)	Minimum price (NIS)	Deposit (NIS)
30016	22	674	3	4,514,737	225,000

In accordance with Municipal Building Plan Blueprint/62, 25% construction will be permitted per floor, 3 floors, making a 75% construction total. Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, 12th floor during regular working hours. Deadline for submitting tenders bids is January 24, 1983. Bids not found in the tenders postbox by the above date will not be considered.  
The Israel Lands Administration does not undertake to accept the highest bid or any other bid.

### Offer for Lease of Plot for Construction of Small Commercial Centre at Ashkelon Industrial Zone

Tender No. JM/82/85

The Israel Lands Administration invites bids for a development contract for the area, details of which at the time of publication of the tender, were as follows:

Block	Parcel	Plot	Approx. area (sq.m.)	Floors (no.)	Minimum price (IS)	Deposit (IS)
1215	47	A	1100	1	861,400	43,000

In accordance with Municipal Building Plan 4/03/120/10 40% construction will be permitted on one floor only. Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, 12th floor during regular working hours. Deadline for submitting tenders bids is January 24, 1983. Bids not found in the tenders postbox by the above date will not be considered.  
The Israel Lands Administration does not undertake to accept the highest bid or any other bid.

### Build Your Home in Kfar Yona

The Israel Lands Administration, in cooperation with the Kfar Yona Local Council, Arim Urban Development Co. Ltd. and the Ministry of Construction and Housing, announces the opening of registration for the above programme. In the framework of this scheme 27 half plots will be allotted for the construction of 27 housing units in 2-family homes. An additional 2 plots will be allotted for the construction of one family homes, making a total of 29 housing units.

Registration will begin at 9 a.m. on Thursday, January 6, 1983, and end at 12 noon on Thursday, January 20, 1983.

Registration will take place at the Kfar Yona Local Council office, during regular working hours.

A detailed prospectus and other details are available at the Kfar Yona Local Council office.

## TEL AVIV UNIVERSITY

The University Gallery  
The Opening of the Exhibition

### THE SEASONS

Illustrations to the Poetry of James Thomson, 1730—1830

will take place on Wednesday, January 5, 1983 at 7.00 p.m., Mexico Building Tel Aviv University Campus, Ramat Aviv

#### Greetings:

PROF. HAIM BEN-SHAHAR, President of Tel Aviv University  
MR. AVNER SHALEV, Head, Department of Art and Culture,  
Ministry of Education and Culture

#### Programme:

Readings from James Thomson's "The Seasons" —  
The Theatre Department  
Musical interlude: A movement from "The Four Seasons" by Antonio Vivaldi performed by students of the Samuel Rubin Academy of Music.  
The exhibition will be open to the public Sunday—Thursday, 11 a.m.—1 p.m.; 5—8 p.m.

### Buchman Fashion

47 Rehov Yefo, Jerusalem

To mark our nomination as a Preferred Business Establishment, we announce a

30% Discount Week

### CINEMAS

JERUSALEM 4, 9  
Eden: Dead End Street: Edison;  
E.T. Hahn: Don't Die: Answer;  
Kfir: Good Luck: Mitchell: Ragtime 5, 9;  
Orli: Born to Victory: Orion: Tempest 4;  
6, 30, 9; Orna: Banana Joe: Ron;  
Clockwork Orange: Semadar: Red 8;  
Blasphemy: Ha'amat: A Streetcar Named  
Desire 6, 8, 9; Israel Museum: Chitty  
Chitty Bang Bang 3, 30; Cinema One:  
Harold and Maude 7; The Godfather  
(Part 1) 8, 30; Cinemascope: The Eyes of  
Laura Mars 7; The Lower Depths 9, 30

TEL AVIV 4, 30, 7, 15, 9, 30

Alhambra: The Apprenticeship of Duddy  
Kravitz: Ben-Yehuda: I Love You: Cinema 1;

E.T. 4, 30, 7, 9, 30; Cinema 2: Missing 4, 30, 7,  
9, 30; Cinema 3: Ragtime 6, 30, 9, 15; Cinema 4:  
Bedknobs and Broomsticks 4, 30, 7, 15,  
9, 30; Beau Geste 10, 30, 1, 30; Cinema 5: Last  
Days of Love 4, 15, 7, 9, 30; Dana: Flor  
10, 30, 1, 30; Cinema 6: Rose: Fame 4, 30, 7,  
9, 30; Cinema 7: Closed: Dicks: Still of  
the Night 7, 15, 9, 30; Drive-In: Silent Rage  
7, 15, 9, 30; Sea film 12, 15 a.m. (after mid-  
night); Eder: If you could see what I  
could hear: Gey: Victoria 4, 15,  
6, 30, 9, 30; Gordon: Tempest 4, 30, 7, 9, 30;  
Red: Dead End Street: Le: In the Night  
of San Lorenzo 1, 30, 4, 30, 7, 15, 9, 30; Le:  
Hansin 1, 30, 4, 30, 7, 15, 9, 30; Le:  
Les Miserables: Maxine One: Flew Over  
the Cuckoo's Nest 7, 9, 30; Az: Men G:  
Nant Men 4, 30; Mognabi: Dear Hunter;  
Orli: A Little Sea: Parke: She Dances  
Alone 10, 12, 2, 4, 30, 7, 15, 9, 30; Orli:  
Long Way Home: Shalev: Popsicle  
4, 30, 7, 15, 9, 30; Souler: Author!  
Author! Teher: Herings: Tel Aviv:  
Policewoman Called Louis: Tel Aviv  
Museum: In for Treatment: Zafon: King  
of Comedy

#### HAIFA 4, 6, 8, 9

Amal: On Golden Pond 7, 9;  
Amphitheatres High Risk: Armon: E.T.;  
Atzmon: If you could see what I hear;  
Cinema: Eating House: Galor: Le Guignolo  
12, 4, 8, 1 the Jury 10, 2, 6; Keren Or: One  
Flew Over the Cuckoo's Nest: R.S. 6;  
The Nutty Professor: 4;  
Marian: Body Heat 6, 8, 9; Orli: Dead

End Street: Orli: Kandy Sex: nonstop;  
adult: July: Gey: Hahnin 6, 8, 9; Pear:  
Victoria 4, 6, 30, 9, 15; Ron: Eskimo  
Lingua 4, 6, 30, 9; Sharit: A Long Way  
Home 4;  
RAMAT GAN  
Armon: Victor Victoria 7, 9, 30; La Zizalic  
4; Lily: Evil Under the Sun 7, 15, 9, 30;  
Orli: Missing 7, 9, 30; Xanadu 4; Orli:  
Private Popsicle 7, 15, 9, 30; Ramat Gan:  
The Man with the Deadly Lens 7, 15, 9, 30  
HERZLIYA  
Tiber: Rocky 11, 15, 9, 15  
PETAH TIEVA  
Shalom: Fire Fox 6, 8, 9, 15; Carousel 4  
NETANYA  
Eder: Private Popsicle 7, 9, 15; Az: Men  
G: Nant Men 5  
HOLON  
Migdal: Missing 7, 30, 9, 30; Star Invasion  
4, 30; Savage: A Policeman Called Lops  
4, 30, 7, 15, 9, 30  
RAMAT HASHARON  
Star: A Star is Born 7; Some Like it Hot  
9, 30  
HOOD HASEARON  
Barak: On the Waterfront 7, 15; Le Boom  
9, 30

## ENTERTAINMENT

### TELEVISION

EDUCATIONAL:  
8.35 English 6 8.30 Geography 7-9 9.20  
English 5 10.05 Mathematics 4 10.30  
Programme for Kindergarten 11.00  
Spoken Arabic 11.15 Math/Geometry 6  
11.30 Math/Geometry 3 11.45 English 7  
12.05 English 8 12.30 Literature 9-12 13.05  
High School Science 15.00 Everyman's  
University: The Age of Revolutions: Stone  
and View 16.00 Handicrafts 16.10 Star  
Wars 16.40 The Universe and 17.00 A  
New Evening — live magazine  
CHILDREN'S PROGRAMMES:  
17.30 3, 4, 5 — King Midas  
17.50 The Ghost of Thomas Kempe (part 2)  
18.20 Cartoons  
ARABIC-LANGUAGE programmes:  
18.30 Nuts roundup  
18.32 Sports  
19.27 Programme Trailer  
19.30 News  
HEBREW PROGRAMMES resume at  
20.00 with a news roundup  
20.03 Fame: Part 12 of a 16-part series  
based on the film about a New York per-  
forming arts school: The Crucier  
20.50 Stop — weekly road safety corner  
21.00 Mahat Newsreel  
21.30 Portraits — series of Israeli artists

and writers: Amir Gilboa, Israel Prize  
Winner 1982  
22.00 This is the Time — weekly interview  
show  
22.50 Kaz — weekly series about a lawyer  
who has just completed his legal studies  
while in prison: A Case of Class  
23.35 News  
JORDAN TV (unofficial):  
17.30 Cartoons 18.00 French Hour 18.25  
(JTV) 3 Little House on the Prairie 19.00  
News in French 19.30 News in Hebrew  
20.00 News in Arabic 20.30 The Other  
AF 21.00 Documentary 22.00 News in  
English 22.15 The Agatha Christie Hour  
ON THE AIR  
First Programme  
6.11 Musical Crock  
7.07 This Morning — news magazine fol-  
lowed by Morning Melodies  
8.05 Beethoven: Piano Concerto No.2  
(Radu Lupu, Israel Philharmonic,  
Mehta); Berlioz: Nuits d'été; Narvaez:  
The Miskid Dolphin Book Six (Julian  
Bream); J. Stamitz: Trio for Orchestra;  
De Falla: Nights in the Gardens of Spain  
(Pinna Saltzman, Jerusalem Symphony,  
Rudan)  
10.05 Bakhtiev: Itinerary (Paul Rotman);  
Kinsky-Korsakov: Scheherazade (Royal  
Philharmonic, Stokowski)

11.00 Sephardi Traditions  
11.15 Elementary School Broadcasts  
11.30 Education for All  
12.05 Schubert: Sonata in A Major,  
Op.143 (Zacharia Plavin); Hasselmann:  
The Spring (Klari Saliva-Weigert);  
Shostakovich: Trio No.2 (Tel Aviv Trio)  
13.00 Artists' Parade — music by Lilly  
Arban, Gounod, Stutchevsky, Beethoven,  
Villa-Lobos, Rossini and Bizet  
14.10 Children's Programmes  
15.30 World of Science (repeat)  
15.55 Notes on a New Book  
16.05 Handel: Flute Sonata No.2, Op.1  
(Gazetoni, Canino); Mozart: Piano  
Concerto No. 24, K.491 (Glen Gould,  
CBS, Susskind); Brahms: Clarinet  
Sonata, Op.120, No. 1 (Gervase de Peyer,  
Sternblum); Haydn: And God  
created Great Whales (Kostelancz)  
17.35 Programmes for Olim  
20.05 Everyman's University  
20.35 Liturgy 1982 — Benjamin Britten:  
War Requiem, with Heather Harper,  
Keith Lewis, David Wilson-Johnson, the  
choir of the Dutch Handel Society, Choir  
of the South Bavarian Music Academy,  
Choirs of the Boyer and Denmark Schools  
in Jerusalem — conducted by Gary Ber-  
tini (live broadcast from Binyanei  
Ha'uma, Jerusalem)  
22.30 Reflections on the Portion of  
the Week by Rabbi Zephaniah Doron  
23.00 Listen Carefully — discussion on  
works by Schueller, Stravinsky and  
Menotti  
00.10 Francisco Welles: Scala Arina Mass

Second Programme  
6.12 Gymnastics  
6.22 Agricultural Broadcasts  
6.35 Editorial Review  
6.45 Green Light — drivers' corner  
7.00 The Morning — news magazine  
8.05 First Thing — with Eud Manor  
10.10 All Shades of the Network  
10.25 Open Line — news and music  
11.00 Midday — news commentary, music  
14.10 Matters of Interest — introduced by  
Gabi Gazit  
16.10 From Here to There — immigration  
matters 17.10 Magazine  
17.35 Of People and Places  
18.05 Religious Affairs Magazine  
18.47 Bible Reading — Proverbs 15:1-19  
19.00 Today — people and events in the  
news 20.10 Sabbath songs  
22.05 Literary Magazine (repeat)  
23.05 The Second Half — women's  
magazine  
Arzy  
6.06 Morning Sounds  
6.30 University on the Air — Prof. Yosef  
Ben Shimon lectures on the Philosophy of  
Spinoza  
7.07 "707" — with Alex Ansky  
8.05 101: Morning Newsreel  
8.05 Right Now — with Rafi Resher  
11.05 Musical Requests — with Shira  
Gera  
12.05 Israeli Winter — with Eli Yisraeli  
13.05 One and to the Point — midday  
magazine

14.05 Two Hours — music, anecdotes, in-  
terviews and reviews  
16.05 Four in the Afternoon — Hebrew  
songs  
17.05 IDF Evening Newsreel  
18.05 Army and Defence Magazine  
19.05 Israeli Today  
20.05 Israeli Rock  
21.00 Mahat Newsreel  
21.35 University on the Air (repeat)  
22.05 Popular songs  
23.05 Middle of the Road (repeat)  
00.05 Night Birds — songs, chat with Yael  
Dun







# The World

## Another Winter Of Discontent In Afghanistan

Soviet troops last week entered their fourth year in Afghanistan with little to show for it except a chorus of boos from around the world.

Peking, sternly repeating its price for Chinese-Soviet reconciliation, reminded Russia's new leaders that "by invading Afghanistan and massing its troops along the Afghan-Chinese border, the Soviet Union is posing a grave threat to China's security." The Chinese insist that all Soviet forces along their borders must be pulled back and also that Soviet support for Vietnam's occupation of Cambodia must end.

The People's Daily, in its strongest language since Yuri V. Andropov became Soviet leader in November, urged all "peace-loving" countries to "increase the pressure on the aggressor and provide moral and material assistance to the Afghan people in their struggle." China has not denied reports that it is among those sending weapons to the Afghan guerrillas.

On a conciliatory note, however, a two-paragraph Chinese greeting to the Soviet Union's 60th anniversary hinted at compromise. "Both sides," it said, "must take practical steps to remove obstacles by means of consultations, applying joint efforts." And four musical performers from Moscow's Bolshoi Theater who were guests of the Soviet Ambassador were invited to visit Peking's leading

vive if leftists won an election. The United States is also disturbed by the crisis for it holds up a negotiation over continued use of an air base in the Azores as well as what was reported to be Washington's first request for facilities in mainland Portugal, a satellite-tracking station and facilities at air bases.

## Greece Ends Communist Exile

The civil war that devastated Greece from 1947 to 1949 led to the first major United States move to contain Communism in Europe. With the help of \$300 million of American military and economic aid under the Truman Doctrine, the war ended in defeat for the Communist rebels. About 130,000 fled abroad, mostly to Soviet-bloc countries, or were exiled after serving prison terms for crimes against the state.

Last week, Socialist Prime Minister Andreas Papandreu fulfilled an electoral promise by inviting back some 30,000 survivors and descendants of those who left. Promising them their citizenship simply by filling out a form, Mr. Papandreu said in a Christmas broadcast of "national political reconciliation" that they would be free to return "when they want."

Mr. Papandreu acted under pressure from the pro-Moscow Communist Party, which was outlawed after the civil war but now operates legally. An independent Communist group, the Committee for the Repatriation of Greek Refugees, noted that the invitation had not been accompanied by offers of financial assistance and suggested that Mr. Papandreu might be less interested in getting the refugees home than in making points with left-wing opinion. Conservatives were also irritated by what they saw as Mr. Papandreu's attempt to distract Greeks from their economic problems.

## Moscow Jousts With the Pope

Between the Soviet Union and Pope John Paul II, the feeling is mutual. But last week, Christian charity was strained more than usual by a rare Soviet attack against the Polish Pontiff for "subversive activity" against Poland and other countries. The attack "needs no comment or reply," the Vatican said in commenting and replying on an article that "contradicts the reality of the facts."

The Pope has spoken often of Poland and his public statements, with a visit to his homeland due in June, have been moderate and devoid of direct criticism of the military regime. But a raw nerve evidently has been touched in the Kremlin by allegations of K.G.B. complicity in the attempted assassination of John Paul by Bulgarian secret agents, if the claims of the Italian police prove accurate.

Moscow's offensive was launched through a monthly called Politicheskoye Obozreniye (Political Education) and conveyed by the official press agency, Tass. The article referred to "the former archbishop of Cracow" as one who "has taken a much more conservative and rigid position toward the socialist world than his predecessors." What seemed to be the worst crime, the periodical suggested, was Solidarity, the free Polish union destroyed by martial law, which was suspended last week. The article said Solidarity was born "not in the disorders that swept the country in the summer of 1980 but in the Catholic Church."

The Vatican pointed to a situation that "is well known to all, on which world public opinion has pronounced a judgment that can hardly be contradicted." Soviet official sources were also cited for having praised the Pope for "his high skill and untiring work" for peace.

## U.S. Withholds Sea Law Funding

President Reagan has decided that those who don't play shouldn't pay. He announced last week that Washington would not honor assessments of up to \$1 million a year for the new Law of the Sea Treaty preparatory commission. The agency will draft rules for deep sea mining. The Reagan Administration objects to international control of seabed minerals and has refused to sign the treaty.

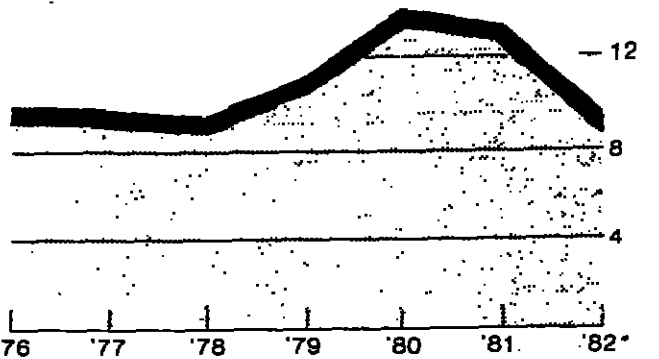
Western diplomats said the withholding action could undermine the world organization and recalled the trauma of Soviet and French refusals to pay for United Nations peacekeeping in the Congo in the 1960's. (Paris later made an equivalent "contribution." Moscow never paid.)

The White House argued it could skip payments for the new commission because it is legally "distinct from the U.N." Tommy T.B. Koh of Singapore, head of the sea law conference and a jurist, called the action "a very important step backwards" as a precedent for other countries on other issues.

Henry Gieger  
and Milt Freudenheim

## Signs of hard times

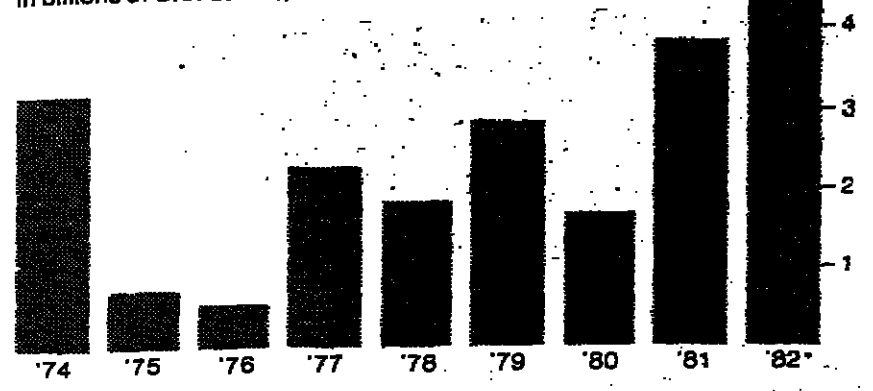
France's inflation rate (in percent, annual average)



\* through November  
Sources: O.E.C.D.; Institut National de la Statistique et des Etudes Economiques

## French borrowing

(international bank loans to public and private sectors maturing in one year or more, in billions of U.S. dollars)



\* through November  
Source: Morgan Guarantee Trust Co.

## Few Cheerful Cherubs This Year For Mitterrand

By JOHN VINOCUR

PARIS — One of President François Mitterrand's advisers, who is paid to think wide and large, cast his eye joyously forward the other day and said he liked the looks of 1983. The intervening years? Seven hundred-odd days of discomfort for the short-view people to puzzle out, he explained.

The French generally aren't elated by the outlook for 1983, or 1984, and the problem for Mr. Mitterrand's Government is that voters have the chance as early as March to say in nationwide municipal elections if they approve of what their leaders are doing about the situation. As hard as the Government will try to characterize the voting as hundreds of patternless local contests, the elections are likely to have an effect on how the President runs things as he completes the second year of his seven-year term.

Between now and March, next to nothing can happen to make it appear that the Socialist Government's decision in mid-1982 to abandon more spending as the solution to the economic crisis has improved the life of many Frenchmen. The change of course probably helped Mr. Mitterrand's reputation for realism in other Western countries, but the economic projections from the state's own research institute line up with current opinion polls showing most of the population thinks socialism isn't working — at least not yet.

By the institute's reckoning, industrial production will fall 2 percent in the first third of 1983, private investment will decline and unemployment, which stabilized late this year, will start to climb again. Inflation, held back by a wage and price freeze to close to 10 percent, far above most of France's industrial competitors, began moving up again in November when restrictions were lifted. So inflation may again be a problem, weakening the franc.

Those figures will probably affect the national mood less than others that say rents will increase by 9.8 percent, gas and electricity by 10 or 11 percent, and telephone bills by almost as much. Mr. Mitterrand may wind up talking a lot about the price of fuel. It is expected to go down.

The Socialist Party calculates that its real job in the municipal elections, run on party lines, is to contain losses and pre-empt the possible postelection contention that the President is a beaten man, his policies rejected. But no one expects the left to perform as well as in 1981, when Mr. Mitterrand came to power, or in 1977, when the last municipal voting signaled that the end was near for President Valéry Giscard d'Estaing.

This time, the extent of the erosion and how it is distributed in the Socialist-Communist coalition

will determine Mr. Mitterrand's reaction. Major losses would probably start the conservative opposition clamoring again for early legislative elections, ahead of those scheduled for 1986. The President might find it suddenly useful to dump the Communists from the Government, although at a price of potential labor difficulty.

Another political response to a poor performance could be to bring a few centrists into the Government to spread the blame and cushion dissatisfaction.

## Pre-Electoral Caution

Until they are out of the way, the municipal elections are imposing a temporary restraint on France's international behavior. In the monetary area, the Government will fight and borrow furiously to defend the franc for the time being because devaluations are regarded as a political loss of face. But new inflation and the substantial trade imbalance could make a later devaluation necessary.

The elections also provide a possible, if partial, explanation for France's relatively quiet Middle East policy of late. There has been support in Paris for the Reagan plan, and the French continue to participate alongside the United States and Italy in the international force in Lebanon. The temptation, though, to push a French initiative is real, and there was talk in the fall about Mr. Mitterrand being willing to receive Yassir Arafat. It made little domestic political sense before elections involving a significant Jewish vote, but the idea may look more attractive in the spring.

Once the elections are past, 1983 may also be the

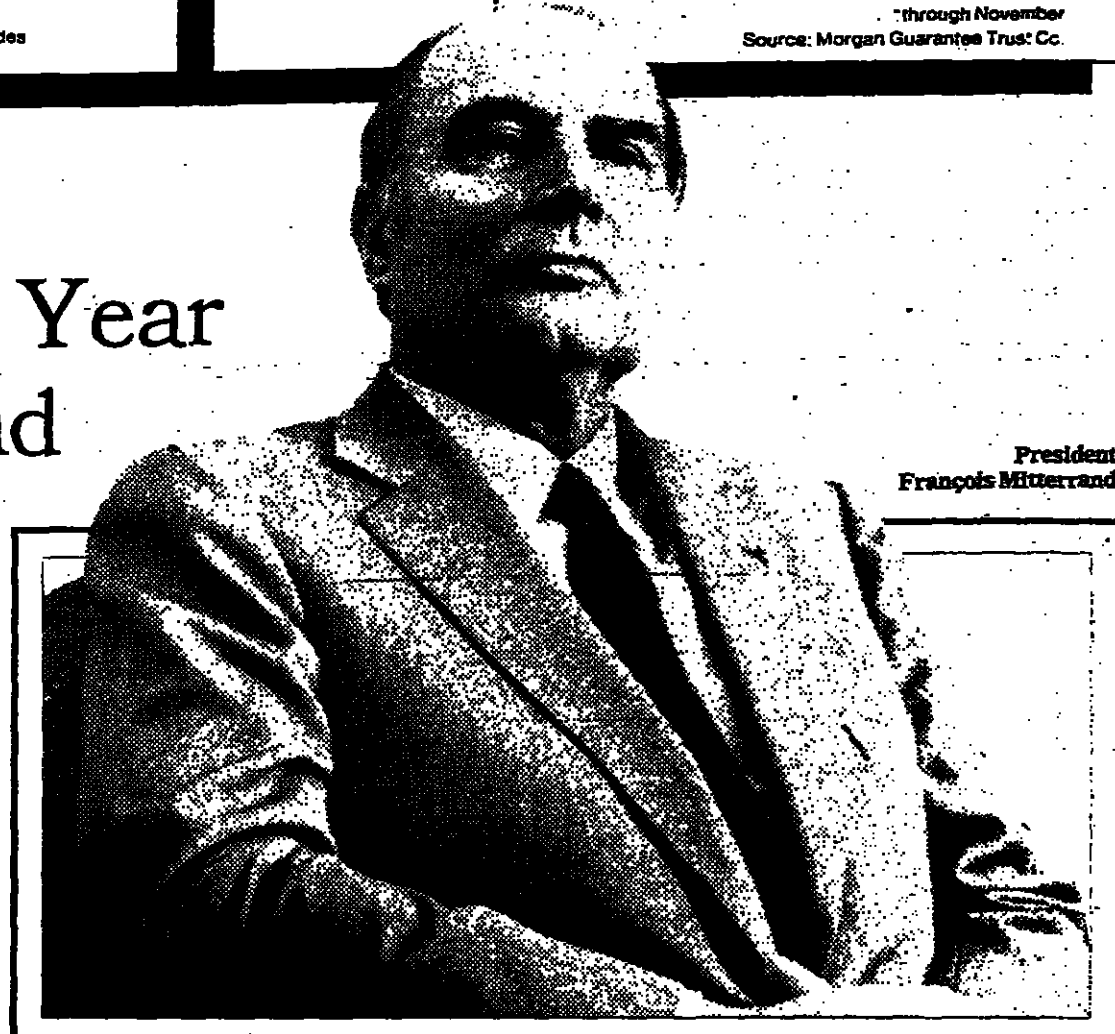
year when the French do something to improve relations with the Soviet Union. Mr. Mitterrand always scored points here when he said he found his predecessor too eager to talk to Leonid I. Brezhnev after the invasion of Afghanistan. But now, his Foreign Minister, Claude Cheysson, will be going to Moscow in February, and a meeting between the President and Yuri A. Andropov during the year is not inconceivable.

Mr. Cheysson has been saying as loudly as possible that 1983 will be a tough time for the Atlantic Alliance because of the negotiations at Geneva and possible deployment by the end of year of United States Pershing-2 and cruise missiles in Europe. The French attitude is close to Washington's; Paris asserts more openly than many of the allies that the Western defense community would probably become a sham if there were no effective counter to the Soviet SS-20's.

Yet this is relatively easy talk in Paris, where there are no neutralists but no Pershing launchers either; the tougher issue will be the parliamentary debate in the spring, after the elections, on the five-year plan for French defense.

Regardless of whether the Government and general staff acknowledge it, the way money gets allocated will be a central factor in determining French strategy for the next decade. From the looks of the preliminary squabbling, France will, of course, maintain its independent nuclear deterrent but will direct the rest of its effort in a way that, without integration into NATO commands, will better fit overall alliance tactics.

If Mr. Mitterrand gets through the elections without serious wounds, the defense debate is likely to be the most significant event of 1983.



President  
François Mitterrand

Gemma-Linton / Gilles Bourquillon

## A Sharp Drop in Strikes, but No 'Givebacks' Either

## A Bleak Reality Tempers Canada's Union Militancy

By DOUGLAS MARTIN

VANCOUVER, British Columbia — During the Great Depression, Canada's army of unemployed roamed quixotically across this broad country in quest of work that did not exist. Finally, the federal Government herded them into work camps in British Columbia — where tens of thousands had ended up — and paid them the grand sum of \$7.50 a month. Neither satisfied nor cowed, the angry men hopped freight trains to Vancouver to demonstrate for more money.

Today, the economy is the worst since the "dirty 30's," and the feistiness of workers is still apparent. The unemployed are again organizing and workers are refusing to make the sort of concessions or givebacks that have characterized labor pacts in the United States. At the same time, however, strikes in British Columbia have fallen by three-quarters as workers closely weigh the often subtle differences between punishing companies into submission and committing economic suicide. "To be militant is one thing, to be stupid is another," one labor leader growled.

The new equation amounts to balancing 14.3 percent unemployment, a 50 percent jump in welfare rolls and a doubling of business bankruptcies against one of the strongest traditions of labor militancy in North America. More than 45 percent of non-agricultural workers are organized in British Columbia, compared to less than a quarter in the United States and 39 percent in all of Canada. Canadian union membership has grown by 6.4 percent in the past two years while the number of organized American workers has shrunk.

Predictably, management sees things one way: "I think this has driven home to labor that the last 40 years of steadily improving living standards could not continue indefinitely," Bill Hamilton, president of the Employers Council of British Co-

lumbia, said. And labor sees them another: "We just say no truck nor trade, if they're trying to screw us," Jim Kinnaird, president of the British Columbia Federation of Labor, declared.

So far, the result does not seem to have made lambs out of British Columbia's labor lions. Despite the drop in strike action, there have been major walkouts — 35,000 construction workers and 32,000 government employees were among those who struck in 1982. A tangled dispute between Vancouver longshoremen and dock management cost the Canadian economy \$8 million a day in lost grain sales and forced the layoff of thousands of railway workers during a 17-day lockout, itself provoked by a six-week slowdown.

## Unions Are Tough Everywhere

The scene is surprisingly similar elsewhere in a country where unemployment is expected to stay around 13 percent for the foreseeable future. Although Inco Ltd. had announced the shutdown of its mammoth nickel mine in Sudbury, Ontario, effective July 5, employees chose to spend their last month on the job striking for higher wages. Also in 1982, some 7,000 plumbers in Ontario and more than 8,000 nurses in Alberta went out. "Workers don't need union leaders to lead them backwards," asserted Grace Hartman, the grand-motherly president of the Canadian Union of Public Employees who went to jail in 1980 for refusing to order striking hospital workers back to work.

But the centerpiece of union assertiveness was the Canadian United Auto Workers' six-week strike against the Chrysler Corporation, following an American workers' agreement to work without a contract until this month. At a meeting at the beginning of 1982, Bob White, chief of the Canadian union, was the only member of the U.A.W.'s 28-member executive board to vote against any union concessions in new talks. By year end, he was muttering about disaffiliating from the De-

troit-based international union, and criticizing the idea of profit-sharing, a cherished goal of Walter Reuther.

The Canadian unions reject givebacks because they believe such concessions hurt members without enhancing job security; their leaders' generally leftist political orientation leads them to disparage what they term American "business unionism" with its focus on specific economic objectives rather than broader social concerns.

A result is that the International Woodworkers of America has rejected forest companies' requests to reopen their June contract, despite a 40 percent unemployment rate among British Columbia's lumbermen. Similarly, workers in Hamilton, Ontario, Canada's depressed steel center, have cast aside management's suggestions they forgo cost-of-living increases under an existing contract.

Why the toughness? John Crispo, a political economist at the University of Toronto suggests two reasons: first, layoffs in major industries occurred first in the United States and therefore, workers there were under greater pressure to make concessions. Second, Canada still maintains an unstated policy of bailing out problem companies and, by the same token, their workers, a course eschewed by the staunchly free-enterprise Reagan Administration.

Union leaders here are more frankly political than ordinary members who tend to vote Liberal or Conservative in federal elections rather than for the leftist New Democratic Party championed by their chiefs. And the boom-and-bust cycles that characterize this resource-based economy may also have a reinforcing effect. "In other words, get it while the getting's good, and resist wage cuts during recession," Stuart Jamieson, an eminent labor economist, said.

Canadian labor, academics and other analysts say, will probably become more politicized as workers organize to fight anti-strike legislation contained in anti-inflation policies at the federal level and in the provincial Governments of Ontario and Quebec. Reflecting this political tilt, unemployed workers are planning a mass march on Ottawa this spring. Another likelihood is that Canadians will continue their steady drift away from control by big international unions based in the United States.



Afghan demonstrators burning a Soviet flag in New York last week.

music academy, encouraging Soviet diplomats seeking resumption of official cultural relations.

In Washington, President Reagan renewed his attack on "Soviet imperialism." Even with 105,000 troops and chemical weapons, he said, Moscow had been unable to control the Afghan countryside or secure many cities and had failed to rebuild the Communist-controlled Afghan army or create an effective government. After discussions with President Zia ul-Haq of Pakistan, which succors three million Afghan refugees, Mr. Reagan said, "We are both committed to a negotiated settlement that will return Afghanistan to the ranks of independent sovereign nations." Tass denounced the Reagan criticism as a vow to wage "nondeclared warfare" against Afghanistan.

## New Contender In Lisbon Stakes

Portugal's Prime Minister Francisco Pinto Balsemão, who resigned two weeks ago, picked a successor last week. But his is not the final word: If it were, perhaps he wouldn't have felt obliged to quit as the head of the country's 14th government since democracy was restored in 1974.

Mr. Pinto Balsemão, who had enough of the backbiting in his Social Democratic Party and in the conservative coalition called the Democratic Alliance, nominated Vitor Crespo, an educator with a doctorate from the University of California and the head of the party's parliamentary group. But Mr. Crespo has to be acceptable not only to the coalition partners, the much-divided Christian Democrats, which gave him only qualified support, and the monarchists, but to President António Ramalho Eanes.

General Eanes is under leftist pressure to dissolve Parliament and hold elections rather than carry on with a conservative Government that has tried to undo some of effects of the 1974 revolution such as the nationalization of major banks and companies. On the other side, businessmen worry that an austerity budget for 1983 as well as measures to strengthen the private sector, which were pending when Mr. Pinto Balsemão resigned, might not sur-

Chile In  
Record



By EDWARD SCHUMACHER

## The Constitution extends General Pinochet's rule

Gen. Augusto Pinochet Ugarte (foreground) with aides.

State Department officials have testified in Congress that Chile has complied within the bounds of its laws and that six years of arms embargo have been punishment enough. Many in the Justice Department fought to continue the pressure for the extraditions but State won out. Administration officials said.



**Journalist protesting Bihar state's proposed press law.**

# Turning Up The Pressure On India's Free Press

**By WILLIAM K. STEVENS**

There have been calls for a constitutional amendment guaranteeing absolute freedom for the media, but no groundswell of support is apparent. A move is afoot to create a national code of conduct, promulgated by a national press council composed mostly of journalists but also of members of Parliament. This has found favor among some journalists as a means of curbing excesses. But A.S. Abraham, senior assistant editor of the Times of India, insists that "Press freedom defined is press freedom abridged, and press freedom abridged is well on the way to press freedom being denied."

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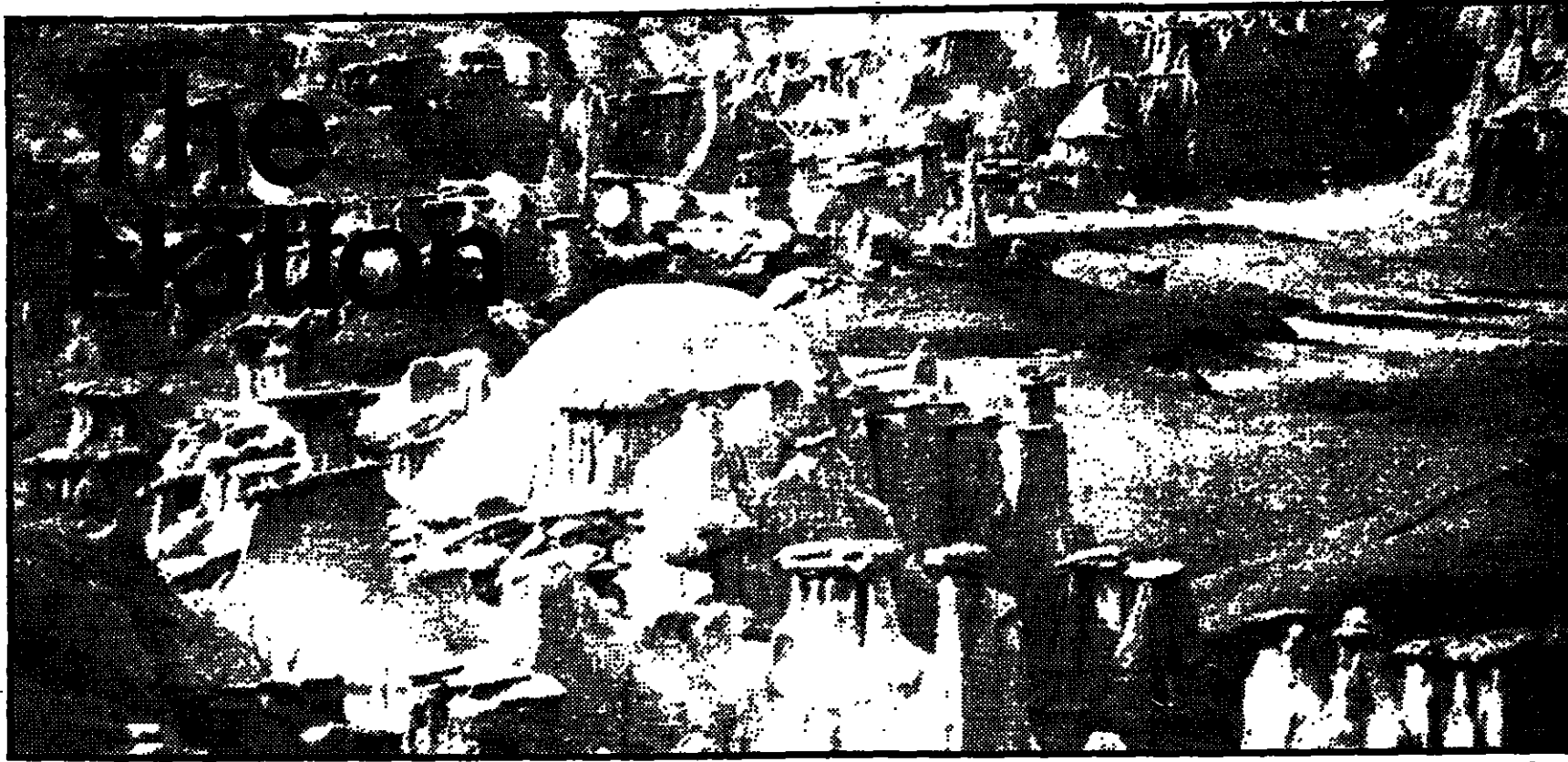
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Bisti Badlands in northwest New Mexico.

## Watt Blazes More Trails to The Wilderness

While most Congressmen were in their home woods last week, the Department of Interior moved to cut millions of acres of real wilderness from Government holdings. Though the action did not automatically open the areas to "multiple use" — such as mining and lumbering — it removed special protections that prohibit such development.

In addition to 80 million acres of national wilderness, 20 million acres managed by the Forest Service and 24 million acres by the Bureau of Land Management are under study for inclusion in the Federal system. Unless Congress or the courts intervene, the Interior Department's ruling will delete more than 800,000 acres from the study category, and possibly up to 5.1 million acres after a new inventory is completed. Most of this territory is in the West and Southwest — including New Mexico's Bisti Badlands, which is already

being reconsidered because of angry reaction, and Wyoming's Encampment River Canyon.

About 465,000 acres are in "split estate" regions, where the Government owns the surface but states, corporations or individuals own what is underneath. Another 340,000 acres comprise all study areas of 5,000 or fewer acres. The department said it would re-examine parcels of more than 5,000 acres that are contiguous with official wilderness tracts to see if they qualify on their own merit, rather than as buffer zones.

"Congress had just got done sending [Interior Secretary James G.] Watt a message about leaving our wilderness alone," said Charles M. Clusen, conservation director of the Wilderness Society. "It is astonishing the amount of contempt he is showing for Congress by this sneak attack." Mr. Watt's spokesman said, "It is our lawyers' opinion that the business of Government goes on even when Congress is not in session." The Sierra Club, in coalition with other environmental groups, plans to sue to block the action.

Mr. Watt, in an apparent nod to

angry environmentalists, announced that he would issue no more leases for oil or gas drilling in Government wildernesses, though some might be granted on lands dropped from consideration. "It's not worth the political hassle," he said. In a seemingly bizarre twist on another issue, he said that he had decided to grant Kuwaiti oil interests the opportunity to "buy energy rights on non-wilderness Federal lands."

## Getting a Bearing On Lehman Deal

New officials in Washington generally are advised to help keep the Administration clean by disposing properly of assets that might lead to conflicts of interest. Questions emerged last week whether Secretary of the Navy John F. Lehman Jr. had done that.

Mr. Lehman denied suggestions contained in a New York Times article that the Abington Corporation, a military consulting firm he owned before joining the Administration, was

still in that business. He also denied that he stood to profit in the future from the deal under which he sold overseas rights to the Abington name to a British peer, Lord Chalfont.

Mr. Lehman said further that he had no contractual or other understanding with Lord Chalfont for the reacquisition of the overseas Abington after he leaves the Government. Lord Chalfont had said there was such an agreement, albeit not in writing. Before last week's denial, Mr. Lehman had been given an opportunity to refute Lord Chalfont's contention and did not do so. Lord Chalfont, after talking with Mr. Lehman, denied he had said there was any understanding about buying back Abington.

If, as Lord Chalfont said and Mr. Lehman denied, the Abington overseas sale included "acquiring (Mr. Lehman's) clients," who included defense contractors with whom Mr. Lehman deals as Secretary of the Navy, a deal allowing Mr. Lehman to buy back the company might constitute a conflict of interest. Several of Mr. Lehman's clients did in fact become Lord Chalfont's.

The Office of Government Ethics is inquiring into the matter, according to David R. Scott, acting director. He declined to speculate on the focus of the inquiry or how long it would take.

## Mississippi Moves on Schools

New industries checking out Sun Belt locations have found it easy to write off Mississippi. A poorly educated work force is one reason. Only half the adults are high school graduates, and 10 percent of school-age children do not go to school.

Now, with unemployment approaching 12 percent, with nearly a third of the state's residents officially classified as poor, the Mississippi Legislature has concluded that perhaps reading and writing count for something after all.

Under an education package adopted late last month, Mississippi — whose public schools are predominantly filled with black and poorer white children — will for the first time have full-time state-supported kindergartens as all other states have. Parents and guardians can be fined as much as \$1,000 or jailed for a year if they don't keep their children in class until they are at least 14 years old — a two-year increase in the minimum school age. Teachers, who draw an average of \$13,000 a year, are to get a \$1,000 across-the-board pay increase. Other money was voted for classroom aides to assist in reading programs. Commissions will be created to review school accreditation and teacher certification.

The reforms will be paid for with stiff tax increases. Starting in 1984, the sales tax goes up to 5.5 percent from 5 percent. The Legislature, which had twice before rejected Gov. William Winter's education proposals (largely because he wanted to finance the reforms with a levy on big oil and gas companies), also approved an increase in the state's income tax.

"If we could just direct the militant pride Mississippians have in themselves and their state toward something positive, there is no end to what we can do," the governor said. "We're as good as anybody and I think we're tired of being pictured as always in last place."

Future generations might not be the only beneficiaries. Mr. Winter, limited by law to a single four-year term, is regarded as a prime con-

tender for a top-level job in Washington should his Democratic party regain the White House in 1984.

## Lewis Takes The Third Exit

Drew Lewis is among the more capable, and toughest, of the Reaganians. In two years as Secretary of Transportation, he enforced the decision not to retire any of the 11,400 air traffic controllers fired by President Reagan and began de-emphasizing Government safety standards for autos; more recently, he helped talk Mr. Reagan into supporting the nickel-a-gallon gasoline tax increase to pay for road repairs and help mass transit.

But last week, Mr. Lewis, apparently restless because he had been told he had risen as far as he would go in the Cabinet, announced that he would step down on Feb. 1 and become chairman of Warner-Amex Cable Communications Inc., the sixth-largest cable television firm. He said he had the "greatest respect" for Mr. Reagan and would, of course, assist in any Reagan re-election campaign. He acknowledged that he hadn't been offered another post on the Reagan team if he would stay on.

A White House spokesman said the President hopes to name a successor by Feb. 1. Early speculation on a replacement centered on Elizabeth Hanford Dole, a member of the White House staff, and Commerce Secretary Malcolm Baldrige.

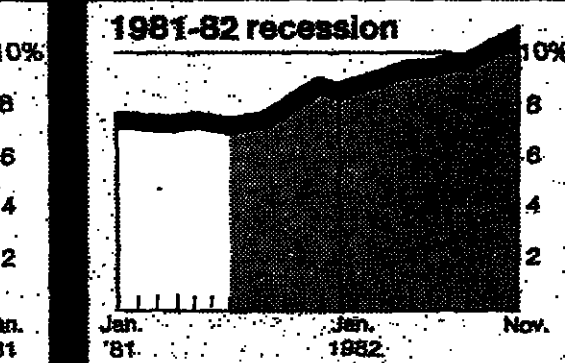
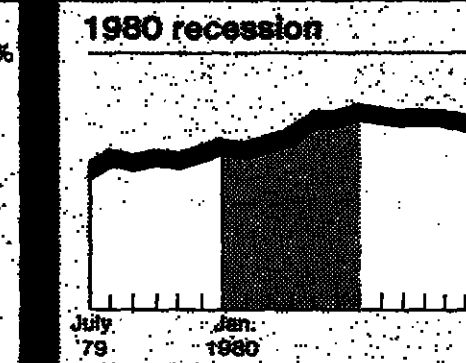
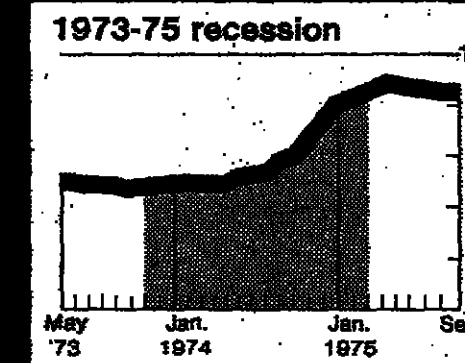
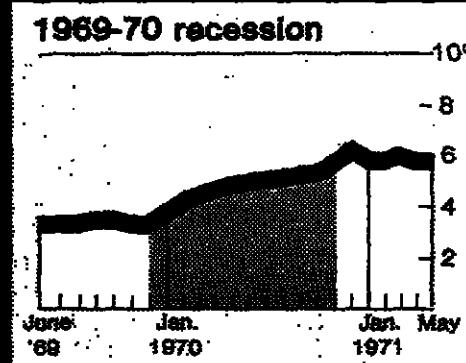
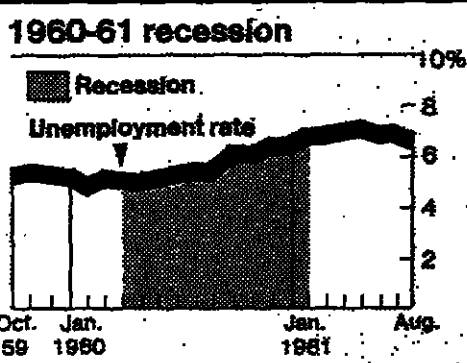
So far, two other Cabinet officers have failed to stay the course: Secretary of State Alexander M. Haig Jr., who huffed once too often in June, and Energy Secretary James Edwards, who gave up trying to eliminate his job in November to become head of a medical school in South Carolina.

Meanwhile, another transaction took place in the Government-industry personnel swap shop. Sears, Roebuck & Company announced that it had hired the number two man at the Pentagon, Deputy Defense Secretary Frank C. Carlucci, to head its new international unit, Sears World Trade Inc. The chairman of Sears World Trade is Roderick M. Hills, former chairman of the Securities and Exchange Commission.

Michael Wright,  
Carlyle C. Douglas  
and Caroline Rand Herron

# Congress Proposes, the Economy Disposes

Is the worst to come? Unemployment before, during and after recent recessions (in percent, seasonally adjusted, persons 16 years and older)



Source: Bureau of Labor Statistics

## Helping Unemployed Is the First Priority But It's Expensive

By ROBERT PEAR

WASHINGTON — WHEN the 98th Congress convenes tomorrow, members are likely to trip over one another in their eagerness to propose Federal action to reduce unemployment. But the haste and the cost of such action, which will cost money and be subject to approval by President Reagan.

Many members of Congress from both parties will arrive at the Capitol with a firm conviction that the voters gave them a mandate to create jobs. The question, as they see it, is not whether there should be a jobs program, but rather what type.

Marcy C. Kaptur, the Democratic Congresswoman-elect from Toledo, Ohio, probably speaks for many in the freshman class when she says, "The message from this district is that people are hurting severely, they've weathered a very sad Christmas and they can't wait for the Reagan economic program to work."

At first glance, it would seem that jobs legislation stands an excellent chance of gaining approval. Howard H. Baker Jr., Republican of Tennessee, the Senate majority leader, and Speaker of the House Thomas P. O'Neill Jr., Democrat of Massachusetts, have both said that a public works jobs bill would be at the top of the agenda of the new Congress. In the postelection session, the Republican-controlled Senate voted to spend \$1.2 billion on creating jobs, and the House, with a majority of Democrats, recommended \$5.4 billion. A conference committee eliminated such money at the last minute.

Senator Mark O. Hatfield, Republican of Oregon, apologized to his colleagues for the action of the conference committee. He said he would do everything possible to persuade the President to include a package of job-creation programs in the budget he sends to Congress on Jan. 31. "We do not need more soup kitchens, more handouts, more extensions of unemployment benefits," said Mr. Hatfield, the chairman of the Appropriations Committee. "We need to put people to work, not just help them when they are out of work."

There are many reasons to think that Presidential veto threats will be less effective this year; there will be 26 more Democrats in the House. If unemployment persists at the current rate of 10.8 percent — and few economic forecasters expect the numbers to drop significantly in the first half of this year — the case for Federal

action would seem to grow stronger. The approach of the 1984 elections will further increase the pressure on Washington to do something about unemployment, which is sure to be a central issue in Presidential primaries.

Senator Dan Quayle, Republican of Indiana, the chairman of the employment subcommittee of the Labor and Human Resources Committee, will review the record of job-creation programs at a hearing on Jan. 12. Two weeks later, Representative Henry A. Waxman of California, chairman of the health subcommittee of the Energy and Commerce Committee, will examine the plight of the 16 million people who have lost health insurance coverage as a result of unemployment. The House Ways and Means Committee and the Senate Finance Committee are due to consider legislation extending the duration of unemployment benefits. A special temporary program of supplemental benefits is scheduled to expire at the end of March, regardless of the unemployment rate.

Some Democrats favor combating unemployment with a big package of economic stimulus measures including Federal aid to the housing industry and subsidies for public-service jobs at local libraries, hospitals, schools, parks and playgrounds. The political appeal of such programs is undeniable, but in the past, official interest seemed to crest soon after the Bureau of Labor Statistics issued its monthly report on employment.

## Groundswells and Doubts

The postelection session of Congress was instructive. Starting with release of the monthly unemployment data on Nov. 5, there was a rapid groundswell of support for job-creation programs. By the end of the month, economists' doubts were being clearly heard. They said that public works programs helped skilled workers in the construction trades but not the hard-core unemployed.

Representative Les Aspin of Wisconsin was one of the first Democrats to spotlight the high cost of reducing unemployment by direct job-creation programs. "If the Federal Government wanted to lower unemployment by just one percentage point, using the most efficient and fastest way, a public service program," he said, "it would have to be willing to put up \$13 billion." To achieve the same objective with a mix of public works and public service jobs could cost \$20 billion, he warned.

Many Democrats, while talking forcefully about the need for job programs, share the apprehension of Republicans that Washington cannot solve the problem, cannot create jobs fast enough, in sufficient numbers, to make much of a dent in unemployment.

John F. Cogan, an Assistant Secretary of Labor, concurs. "Public works job programs are not the answer," he said. Mr. Cogan, the head of an interagency task force seeking ways to reduce unemployment, said he had no information to suggest that President Reagan had become more receptive to large-scale job programs.

No one doubts the sincerity of Mr. Reagan's belief that such programs are counterproductive. But many in his own party question his political judgment in bucking a bipartisan majority in Congress, as the Administration did in opposing the extension of unemployment benefits last summer.

## Despite a Recovery, High Jobless Rate Is Expected During The Next Two Years

By EDWARD COWAN

UNLESS the American economy is sicker than even most pessimists think, recovery from the recession will come, sooner or later. Yet, unemployment — once again the public's paramount economic concern, now that inflation has abated — seems to have settled in for a long siege at the highest rates since World War II.

The last week of the year brought fresh indications of deeply rooted economic problems but also signs that the 18-month-old recession may be finally bottoming out. Bethlehem Steel Corp., the second largest steel maker, said that it would abolish nearly 10,000 jobs.

Better news came from Washington. The Commerce Department reported a 0.8 percent rise in its index of leading indicators, a sign that recovery is approaching. The Labor Department reported that initial claims for unemployment insurance held well below 600,000 for the fourth week in a row, an indication that unemployment may be leveling off.

With the elections almost two years away, the prospect of recovery in 1983 might seem good enough for the Reagan White House and the Republican Party, but it isn't. What worries them is the expectation among many economists that the recovery will lead to only small reductions in unemployment. In November, it stood at 12 million persons, or 10.8 percent, the highest rate since 1940. December figures are due Friday.

The cautious economic scenario to be released later this month in the President's budget is expected to forecast sluggish economic growth of less than 2 percent for all of 1983, but a stronger second-half pace, and unemployment no lower than 7-3/4 to 8 percent by Election Day.

That wouldn't seem as high as it used to, because the meaning of "full employment" has crept up, from 4 percent unemployment in the 1960's to 6 percent or more now. The reasons for the rise are the increased role in the labor force of women and teen-agers, who usually have higher unemployment rates than adult men. The heavy toll of imports on autos and steel may also be a factor. But unemployment is high by historic standards, as the Democrats — who see "jobs" as their natural issue — are sure to shout. In the 1957-58 recession, for example, peak unem-

ployment was 7.5 percent. In the 1973-75 slump, 9 percent was the peak.

President Reagan has repeatedly warned that as a "lagging" indicator, unemployment will respond slowly to economic recovery. For just that reason, unemployment is one of the issues to be examined at length in the President's Economic Report at the end of January.

Martin S. Feldstein, the chairman of the Council of Economic Advisers, implicitly outlined that part of the report in a November speech entitled "Reducing the Rate of Unemployment." Mr. Feldstein made these arguments:

- There are two kinds of unemployment, structural and cyclical. The cyclical kind, which swings inversely with the business cycle, accounts for 30 to 40 percent of the total. The rest is structural, a result of changes in trade, technology, consumer preferences, population and so on. "Only a sustained economic recovery can eliminate the cyclical bulge," Mr. Feldstein said, and that reduction must occur slowly, lest inflation reignite.

- Unemployment is not as bad as the totals suggest. "Only 42 percent" of the jobless have been laid off without prospect of recall. Another 30 percent were people seeking a first job or "re-entrants" to the labor force, people looking for work after being in school or at home.

Economists say that in the early stages of recovery, unemployment may respond slowly because employers prefer to add hours before they add workers. Beyond that, how fast the jobless rate declines depends on the pace of economic growth and whether that growth occurs in labor-intensive lines or capital-intensive industries.

Like Mr. Feldstein, many economists see a conflict between fighting inflation and fighting unemployment. Liberals generally opt for more jobs, conservatives for less inflation. Ray Marshall, Secretary of Labor under President Carter and an ally of organized labor, contends that Reagan economic policies "give little attention to the human and material costs of unemployment."

The Reagan-Feldstein answer is that a slower, less inflationary expansion leads to a sounder economy and more jobs in the long run. Democrats say there are less costly ways to curb inflation, such as "incomes policy" restraints on wages and prices.

Mary Eccles, an analyst with the Joint Economic Committee of Congress, contends that a shift of Federal budget money from military to other, more labor-intensive types of spending, would reduce unemployment faster. She also suggests that wage subsidies, which have been used in a limited way, could help; in that vein, Mr. Feldstein also has suggested the use of wage subsidies garbed as tax incentives to encourage the hiring of the long-term jobless and youths.

Democrats also contend that interest rates would be lower, and the economy healthier, if Mr. Reagan had not insisted in 1981 on a three-year, 25 percent tax cut, which they say contributed to higher interest rates.

The Administration seemed to acknowledge that criticism in 1982 when the President fought for and signed a \$88 billion revenue-raising bill. Of late, Treasury Secretary Donald T. Regan has suggested some further selective tax rises in 1983 to shrink future budget deficits in hopes of avoiding higher interest rates.



# The Economy

By FRED R. BLEAKLEY

WHO would have thought 12 months ago that Chrysler, the much maligned auto maker, or Winnebago, the once hapless manufacturer of recreational vehicles, or Pulte Homes, a home builder, would not only weather one of the worst recessions ever but then soar past a stock market that was registering its biggest advance in history? Who could have foreseen that Fay's Drug and Home Depot, chain store retailers peddling rather mundane products, would capture Wall Street's fancy?

Coleco, another sleeper, was better known for inflatable swimming pools and plastic tricycles than video games, but as the year was ending it had one of the largest gains of any stock on the New York Stock Exchange. And few investors were expecting that Digital Switch, one of the

The bull market helped them, but it was not the main reason for their 400 percent gains.

top performers in over-the-counter trading in 1982, would turn in a repeat performance for 1983.

But as it turned out, these unlikely stocks were at the top of the performance charts for stocks with more than \$50 million market capitalization (shares outstanding times price per share) in each of the country's three marketplaces, and by the end of December they had given their early investors handsome capital gains of as much as 400 percent.

Invariably, investors wonder "where was I when these stocks were discovered?" Or they mutter, as did John Westergaard, head of the Equity Research Associates, "I could kick myself," for not buying Pulte Homes when it was in the bargain basement. Fred Kopf of Moseley, Hallgarten, Estabrook & Weeden admitted he was "too slow on the trigger" in not getting out a research report on Fay's Drug before it began to climb late last summer.

Obviously, the stock market's explosive surge since mid-August, which resulted in record trading volume and a record Dow Jones industrial average, played the biggest part in pushing the prices of the top performers so far, so fast. But each already had a head of steam going into the rally. And by year's end, the gains were so large—300 percent to 400 percent in some cases—that profit-taking trimmed them back to a still-envious 200 percent to 300 percent.

For each of these star performers there was a unique reason or set of reasons why, quarter after quarter, its earnings were well ahead of anyone's expectations. In some of the cases (Digital Switch, Telex and Coleco) it was a new product. In others (Home Depot and Fay's Drug) it included undercutting competitors' prices, or (Pulte Homes and Mountain Medical) offering better financing terms.

"For most of the names on the list of 1982's top stocks, the perception of the future changed materially from what it was at the beginning of the year," said Gary Gerstein, a money manager

for Chase Investors Management. "Some of the companies, in fact, were in serious difficulty to start with."

One common thread was the presence of a novel merchandising concept or tool, noted Mr. Westergaard. "That works in any kind of economy, any time," he said, referring to the Depression days when supermarket chains sprang up.

Asked what similarities he saw among the top performers, Peter Lynch, portfolio manager of the Magellan Fund, the best performing mutual fund over the past five years, said, "If I had a crystal ball in early 1982, I would have looked for small consumer-oriented companies where my earnings expectations left room so that if I was right I would be incredibly right. I also would have bought them only if they were traded at single-digit prices and were not heavily owned by institutions."

As for the larger question of where do these stocks go from here, most investment professionals cautioned that last year's winners are usually this year's under-achievers, and in general recommended that only long-term-oriented investors hold onto them.

Mr. Lynch, however, was not so convinced. He noted that many of the best performers this year were relatively small companies. When such a company becomes a top performer one year, he said, it often picks up institutional support. That support continues to push the price up. In addition, the business cycles that make a company look good usually last more than one year. "I wouldn't be surprised to see many of 1982's top stocks looking good next year, too," he said.

Below is a look at the year's five best Big Board stocks, the two top American Exchange stocks and the three best over-the-counter stocks as of Dec. 23, why they had stellar performances and what the investment community thinks of them now.

## CHRYSLER

Chrysler was most certainly the surprise stock of the year. And it was still spiraling upward in the final weeks of December. The No. 3 auto maker had cut costs to the bone to avert bankruptcy and had entered 1982 a shadow of its former self, needing sales of only 1.1 million cars and trucks to break even, versus 2.4 million a few years ago.

Chrysler would actually have done so, analysts said, were it not for a five-week strike at its Canadian operation, which was settled Dec. 10.

Now, with the likelihood of at least a modest recovery in auto sales in 1983, David Eisenberg, an auto analyst at Sanford C. Bernstein & Company, predicted that Chrysler would earn \$3.50 a share. Such earnings leverage, plus a \$2 billion tax loss carry forward, convinced Mr. Lynch of Magellan Fund to buy more than one million shares of Chrysler throughout last year.

As of late December, he had yet to take any profits, convinced that the new car models and a yet-to-be-introduced small van would prove to be winners in the marketplace. Even so, Mr. Lynch said he believes the market has overreacted to the company's recent labor contract. And he tempered his long-term bullishness by admitting "the stock has gotten ahead of itself. I think it needs a rest."

FAY'S DRUG  
As a regional drugstore chain operating in such hard-hit areas as Buffalo, Rochester and Syracuse, Fay's Drug was hardly a leading candidate to be on many investors' buy lists in the midst of a recession. But it did not take long for word to spread that earnings from sales at its 92 jumbo stores

# The Super Stocks of 1982

were soaring. Suddenly, Fay's had joined the club of the large national drug chains, such as Revco and Rite-Aid, whose shares had already been driven up. Traded on the American Stock Exchange until its listing on the Big Board last month, Fay's climbed so high that a two-for-one stock split was declared and made effective last Friday.

Although Fay's lofty price/earnings ratio of 17 has given some analysts reason to pause, James Margard of Value Line Asset Management said he believes "the greater likelihood is that Fay's will outperform the market in 1983." His firm bought 15,000 shares in September at about half the current price.

As for the reasons of Fay's success, Mr. Margard cited price competitiveness, a broad array of general merchandise, an effective marketing ap-

proach to the elderly and a computerized data processing system for prescriptions and billing.

COLECO  
Describing itself as "a major manufacturer of recreational and entertainment products for the entire family," Coleco became one of the big three in video games in 1982. But when Warner's Atari division announced some bad news last month, the downdraft that hit the shares of Warner and Mattel struck Coleco equally hard. It plunged the stock from the \$50 level to below \$30, although in the past week it regained some of the lost ground.

The pessimism in Coleco's case was undeserved, said Barbara Isgur, an analyst Paine Webber Mitchell Hutchins, Colecovision, the company's home video game system introduced last August and sold out of stores this past Christmas, was the state of the art, she maintained. So were its new game cartridges that have advanced memory and graphic detail and can be used on Atari and Mattel's Intellelevision hardware. Coleco's giant jump in sales last year to some \$500 million from \$176 million in 1981 came largely from mushrooming sales of home tabletop models of arcade games.

Mrs. Isgur remained bullish on Coleco because of its plans to introduce a personal computer module that is compatible with Colecovision hardware in mid-1983.

Despite the selloff in Coleco's shares, some major shareholders also remained bullish. Bankers Trust, for instance, in the accounts it manages,

owns about 300,000 shares at an average cost of \$8. "I'm not a seller," said Neil Miller, the special fund manager. Besides Coleco's technological leadership, he was impressed by its toy distribution network, its conservative accounting and its expertise in licensing what he considers to be the best software producers of video games.

WINNEBAGO  
Remember those lumbering motor homes in which vacationers and retirees discovered America during the early 1970's? Well, the high cost of gasoline, then the high cost of financing sent Winnebago into a skid a few years ago. To put it back on the road to recovery, its founder, John Hanson, came out of retirement, welded a sharp axe at excessive costs and spurred the company to unrelenting, more sleeker, more fuel-efficient generations of motor homes.

From a loss of 55 cents a share in its

of \$2,000, has drawn a lot of business from insurance companies, banks and corporations, which see them as a means to increase productivity by providing broader access to central computers, for more workers. Mr. Collins sees earnings reaching \$1.70 a share in the fiscal year ending March 1983, up from 94 cents last year.

But Telex's recent price evidently became too rich for some investors. Says one money manager who declined to be identified, "The stock was undervalued at \$5, and it was reasonable valued at \$12 to \$15. But the company isn't so good that it deserves its current price yet."

## MOUNTAIN MEDICAL

This manufacturer of oxygen concentrators for the home treatment of people with pulmonary diseases caught Wall Street by surprise with its sudden earnings explosion. "The Street really didn't know the company," said Gary Hutton, an analyst and pension fund account manager for the Eaton, Vance Corporation, which sold a position to take profits.

Mr. Hutton said he originally bought the stock because of the marketing know-how of Mountain Medical's chief executive, Robert Johnson, and because the oxygen concentrator field is a growing one. "Mountain Medical's technology is not that distinctive from its competitors," he said. "Its forte is distribution."

Cathy McDonald, an analyst at Bear Stearns, pointed out that Mountain Medical has been increasing its market share recently by giving dealers the option of leasing rather than buying equipment outright. The company also introduced a smaller, relatively lightweight model last year. Estimates of its revenues for the fiscal year ended in March 1983 were \$30 million, up from \$13.9 million last year. Mrs. McDonald estimated that earnings for fiscal 1983 will more than double to at least \$1.70.

## DIGITAL SWITCH

This was the second year in a row that Digital Switch, a maker of telephone switching devices, has been at the top of the charts in stock performance. It went public as a startup company in 1980 but then dropped in price until the present management team took over in early 1981.

By converting analog sound waves into digital patterns and then back again to analog waves to be heard by the human ear, Digital Switch has enabled the long distance telephone common carriers, such as M.C.I., RCA, and Western Union to become more efficient. They can send more conversations through one transmission path when they are in digital form.

Until Digital Switch came along with its first shipment in early 1982, the private long-distance telephone network market had not had access to digital switching devices, according to James Donald, the company chairman and chief executive officer.

On estimated sales of \$25 million this year, James Hartke, an analyst at Tucker, Anthony & R. L. Day, said he expected earnings of \$1 a share. For 1983 he expected sales to quadruple to \$100 million and earnings to double to

\$2 a share. Although there has been some profit taking lately, dropping the stock more than \$10 from its high of \$49.50, Mr. Hartke is still recommending purchase. "My original target of \$100 still holds," he said.

PULTE HOMES  
Despite the recession and high mortgage rates that leveled the sales of other home builders, Pulte Homes continued to build more homes than ever and to operate in the black, a feat that did not go unnoticed by Wall Street.

"I've been pounding the tables for Pulte since last spring," said Barbara Alexander of Smith Barney, Harris Upham. A large home builder such as Pulte can undersell its local competition, she noted. In addition, Pulte increased its market share by offering fixed-rate mortgages that were significantly below going rates. And it increased sales by emphasizing attached homes instead of detached homes.

"Management is really responsive to what customers want," said Kenneth Heebner, head of the Critical Growth Management Group division of Loomis, Sayles, a Boston money management company. His institution owns over 500,000 shares of Pulte, which is traded on the American Stock Exchange, bought between last May and August at an average cost of \$8.50. It was trading around \$33 last week. "Management is not saying much about its prospects, other than to confirm that new home building orders are spectacular," added Mr. Heebner.

Miss Alexander said she expected 1983 earnings to double to \$1.40 a share and she was "conservatively" estimating \$3 next year, with an earnings peak at least \$5.25 in 1985. Although the market has already discounted much of Pulte's future earnings, Miss Alexander still predicted that its stock would climb at least to around \$30 this year.

## HOME DEPOT

When the first Home Depot store opened in Atlanta in 1978 to tap the do-it-yourself home improvement market, it was twice as large as other such centers and it undercut their prices as well. Since then, the company has opened seven other mammoth stores (the average size is 70,000 square feet) and it plans to have up to 16 in operation by the end of 1983.

Investors obviously like what that expansion did to profits. Home Depot has split its stock three times since the company went public in September 1981. Recently it was trading around \$25. Earnings per share should hit 48 cents a share in the fiscal year ending Jan. 31, up from 12 cents last year, and they should increase to 70 cents in fiscal 1984, said Monroe Greenstein, an analyst at Bear Stearns.

Money managers who have been along for the ride said they were impressed by Home Depot's top executives, who had "experience running larger home improvement center chains. As Bernard Marcus, the company's chief executive, explained, his company's strategy was to have "the broadest assortment of goods stacked warehouse-style on the selling floor." Each of the existing six stores generates \$13 million annually in sales, he noted.

He added that the company hires and trains sales personnel who can provide helpful advice and conducts clinics to teach customers how to tackle projects.

## Best and Worst Performers on the N.Y.S.E.

Change in stock price from Dec. 31, 1981. Includes only stocks that traded on the exchange all year and currently sell for more than \$5 a share.

GAINERS	Dec. 27 Close (\$)	Year's Change (%)
Chrysler	17.50	+419
Borman's Inc.	9.75	+359
Fay's Drug	28.13	+350
Coleco	28.75	+318
Vendo	8.75	+312
Winnebago Industries	13.88	+270
Telex	22.00	+239
Limited Inc.	33.38	+228
Mary Kay Cosmetics	52.63	+217
Ippo	14.13	+214
American Motors	7.13	+200
Fleetwood Enterprises	38.25	+197
Stop and Shop	52.25	+197
Nutri/System	37.00	+196
Cochran Industries	24.63	+190
Fed. Nat. Mortgage	24.63	+190
US Air	33.75	+184
National Homes	6.63	+179
Payless Cashways	43.50	+168
Cole National	39.50	+167

Source: Media General Financial Services

1980 fiscal year ended Aug. 30, Winnebago's operating earnings rebounded to 19 cents the following year and 31 cents in the year ended last August.

Particularly impressive to William Lester, an analyst at First Mid-America Corporation in Lincoln, Neb., was that the turnaround took place when fuel costs and interest rates remained high. He said he is looking for an earnings jump to 55 cents a share before extraordinary items for the current fiscal year.

But Mr. Lester recommended the shares only for long-term investors at this stage. Even though the stock has fallen back from its high of \$16.50, he said he would not advise trading-oriented investors to "buy on weakness" until it hits the \$10 to \$12 range.

## TELEX

A one-time institutional favorite, Telex nearly went bankrupt in the mid-1970's after the International Business Machines Corporation undercut its prices for tape and disk drives. Now, Telex is riding an earnings surge and becoming an institutional favorite again, primarily because of its videorecorder computer terminals "that are as good if not better and 5 percent to 10 percent cheaper than I.B.M.'s," said Eugene Collins, director of research at Laidlaw, Adams & Tech. Mr. Collins has been recommending the stock for the past two years since it was at 3.

Telex's terminals are compatible with I.B.M.'s big 3278 computer model. And their relatively low price

## Best and Worst Performers: Amex and O-T-C

Change in stock price from Dec. 31, 1981. Includes only stocks that traded for the entire year and currently sell for more than \$5 a share.

AMEX GAINERS	Dec. 27 Close (\$)	Year's Change (%)
SMD Industries	10.13	+575
Action Industries	14.75	+436
Mountain Med. Equip.	40.25	+419
Washington Homes	7.25	+383
Pulte Home Corp.	31.88	+318
Topps Chewing Gum	20.75	+315
Weldtron	10.00	+288
Spectro Industries	30.00	+289
Berg Enterprises	17.50	+288
ETZ Levud	20.25	+280
Amer. Med. Buildings	15.00	+243
Shopsell	19.00	+230
Ryland Group	46.00	+220
Bolt Beranek	32.50	+217
Wenpercorp	24.25	+213
ERO Industries	8.75	+211
Mickelberry Corp.	14.25	+208
Lake Shore Mires	39.38	+204
Chilton Corp.	12.38	+200
Earl Scheff Inc.	20.88	+198

AMEX LOSERS	Dec. 27 Close (\$)	Year's Change (%)
Critcher Resources	6.50	-78
Driflow Inc.	5.38	-75
Anglo Energy	5.63	-75
Kirby Exploration	7.38	-73
Universal Resources	5.63	-71
AZL Resources	9.75	-69
XOIL Energy	6.00	-68
Digicon	11.50	-65
Sundance Oil	5.75	-61
Sage Energy	7.00	-59
Sels Pro	5.63	-58
Intertec Data	10.25	-58
Wells-Gardner	7.63	-58
Towner Petroleum	5.63	-54
Weatherford Int'l.	8.88	-54
Consol. Oil and Gas	5.88	-54
Paga Petroleum	6.38	-53
North Canadian Oil	12.00	-50
Welded Tube	8.00	-49
Salemco Delta	8.88	-46

O-T-C GAINERS	Dec. 27 Close (\$)	Year's Change (%)
Millicom	19.00	+848
Cerberonics	23.50	+883
Carhart Photo	7.25	+625
Home Depot	25.00	+408
Int'l. King's Table	9.13	+359
CACI	43.00	+363
Digital Switch	40.50	+344
Teleconcepts	36.00	+319
Decision Data	12.63	+304
City Federal S & L	18.00	+303
Purcell	6.50	+300
Intermec	27.50	+273
Comarco	8.25	+267
Heathdyme	30.75	+247
Prodigy Systems	6.75	+238
Thousand Trails	20.00	+233
U.S. Design	6.25	+233
Hathaway	12.75	+229
1st City Fed. S & L	34.50	+229
Health Information	19.00	+225

O-T-C LOSERS	Dec. 27 Close (\$)	Year's Change (%)
Tipperary Corp.	5.38	-78
Petroleum Equipment	8.50	-73
Nicklos Oil and Gas	5.38	-73
General Energy	11.38	-66
Coslot Industries	9.25	-66
Tom Brown Inc.	8.75	-58
Sykes Databronics	9.88	-55
May Petroleum	9.00	-55
McCormick Oil and Gas	8.75	-52
Amer. Quasar Petroleum	5.38	-51
Detection Systems	7.00	-50
Hamilton Brothers	9.00	-50
Quandrex Corp.	6.50	-50
Intermedics	15.38	-54
Gulf Interstate	8.00	-52
Oregon Metallurgical	10.25	-51
Robbins and Myers	11.50	-51
Tidelands Royalty	8.00	-50
Nord Resources	5.00	-50
System Industries	9.75	-48

Source: Media General Financial Services

## WEEK IN BUSINESS

# Drew Lewis Leaves Transportation Post

Drew Lewis resigned as Secretary of Transportation to take over as chairman and chief executive officer of Warner Amex Cable Communications Inc., effective Feb. 1. He faces a challenge: The company, one of the nation's largest cable television operations with more than 140 cable systems in 27 states, has been losing money and is expected to post a \$30 million loss in 1982. Mr. Lewis, who for months has been reported to be in line for a higher Administration job or a return to private industry, said he had decided to leave the Government "after much thought and careful consideration." No successor has been named.

President Reagan's top economic advisers scaled back their forecast for economic growth in 1983 as they prepared next year's fiscal budget, which the President will introduce later this month. The projected G.N.P. growth rate is expected to be 2 percent for the year instead of the 3.1 percent they had projected in September. The forecasts will mean less anticipated revenues accompanied by greater spending for the needy and jobless.

Chase Manhattan cut its prime rate a half point to 11 percent, the lowest level in two years. Other banks did not immediately follow.

The Fed voted to accept growth in the money supply at a higher rate than its original 1982 target. The Fed said its policy group also shifted its focus, at least temporarily, to control interest rates instead of money supply. The Fed also disclosed that the nation's basic money supply increased \$800 million in the week ended Dec. 15 to a weekly average of \$480.3 billion.

The merchandise trade gap narrowed to \$4.1 billion in November, but the deficit for the year is expected to surpass the record of \$42.4 billion set in 1978. Financial troubles in Mexico and other large United States trading partners were cited for the large deficits.

The value of construction contracts rose 16 percent in November as the housing market responded to lower interest rates, the F.W. Dodge company reported.

Bethlehem Steel will eliminate nearly 10,000 jobs by closing most of its operations in Lackawanna, N.Y., and consolidating operations at its Johnstown, Pa. plant. The cutback will produce a fourth-quarter write-off of between \$750 million and \$850 million for the nation's second-largest steel company. Analysts said Bethlehem could lose \$1 billion for the quarter.

The Southern New England Telephone Company said it would compete against A.T. & T. in equipment sales by selling telecommunications equipment outside of its home state of Connecticut.

General Dynamics filed suit against A.T. & T. charging that the telephone company violated antitrust laws by monopolizing the customer-equipment distribution market.

Chrysler said it will invest \$96 million and create up to 1,700 jobs in the production of new G-24 sports cars and other 1984 models at its Fenton, Mo. plant in July 1983.

Ford said it will cut management staff and downgrade some positions in product development to reduce costs and improve communications. It is the company's first white-collar cut-back since March.

The Federal Reserve will review the Dreyfus Corporation's purchase of Lincoln State of East Orange, a small New Jersey bank, despite Dreyfus's claim that it has taken the bank out of the Fed's jurisdiction by ending Lincoln's S.S.

Bank of America began aggressively offering new money market ac-

counts in California at a promotional rate of 11.25 percent and put pressure on competing banks to increase the interest rates they will offer on the new accounts.

Burlington Northern filed suit to prevent El Paso from paying a dividend and from changing its bylaws in an attempt to reverse actions taken by El Paso that were designed to discourage its shareholders from accepting Burlington's takeover offer.

Mexico plans to sell 34 percent of the banks nationalized in September, but will not allow any single shareholder to own more than 1 percent in the banks. The one-month old government of Miguel de la Madrid Hurtado expected resistance from nationalist groups favoring the state takeover of the banking system.

Mexico will receive a \$450 million credit from 26 banks led by First National Bank of Chicago to buy United States farm products.

Poland's Parliament approved a 1983 budget that anticipates \$3 billion in credits from non-Communist banks. The credits would take the form of a postponement of repayment of that amount of debt.



## A ROUNDTABLE: Whither the 98th Congress?

## Searching for A Mandate in The Results Of November

**T**HE House of Representatives and the Senate aren't always on stage; it has just seemed that way of late. Tomorrow at noon, the 98th Congress is due to begin settling in for its two-year run. In addition to those ever-present economic issues, the new Congress will have on its agenda any number of matters — including immigration and Social Security changes — left unsettled by the old Congress, which barely made it out of Washington before Christmas.

The Week in Review asked four members of Congress — Senator Bill Bradley, Democrat of New Jersey, and Representatives Paul S. Trible Jr., a Virginia Republican who was elected to the Senate in November, Albert Gore Jr., a Tennessee Democrat, and Tom Loeffler, a Republican from Texas — to discuss the shape of the session to come. Excerpts of their discussion with Michael Wright, an editor of The Review, and Martin Tolchin and Steven V. Roberts, reporters in the Washington bureau of The New York Times, follow:

## Economic Issues Are Dominant — Once Again

**Q** The old Congress didn't show many signs of independence until very near the bitter end of its second session. Do you think the new Congress will be more inclined to go its own way from the very start?

**Mr. Gore.** In the House of Representatives, 1983 will likely be significantly different simply because the Democrats will have a real majority. That will create more conflicts probably, and will require more imagination and responsibility on the part of the House leadership.

The task will not be easy. One of the things that has characterized the last two years that will be with us for the next two is a divided government. Not since Rutherford B. Hayes have we had the Republicans in control of the Senate and the White House, with the Democrats in control of the House. And under that arrangement, either party has a veto power over progress.

**Mr. Loeffler.** At the same time, the bipartisan coalition will still remain; there will be 166 Republicans who can be counted on many issues.

I think, as well, the rules changes adopted by the Democratic Caucus during the lame-duck session were a clear indication that the Democratic leadership was demonstrating weakness. The changes — one to prohibit amendments to appropriations bills and the other to have 280 rather than 219 signatures on discharge petitions for Constitutional Amendments — were clear signals that they do not believe that they can restrain members of their own party.

It's important to note that the President's history, serving as Governor in California, clearly demonstrated his ability to move toward a consensus. Given the makeup of the Congress as well as the (slow) economic recovery, he will be moving toward resolution and compromise, probably in a more concerted manner than he did in the last Congress.

**Mr. Trible.** The 97th was a Congress that turned its attention to perhaps the most important public policy agenda since the Great Society.

In the next Congress, our attention will be focused on the state of the economy and our position in the world. The question is whether the next Congress will be one of confrontation and paralysis or whether it's possible, given the powerful political forces at play, to achieve a consensus and move ahead.

## Moderation Will Prevail

**Mr. Bradley.** I think that the next Congress is going to be the Congress of the center. Moderation is going to be the key.

And I think you will see the emergence in the Senate of a Republican leadership that is frequently at odds with the White House. That will present much more opportunity for coalition-building (and) from a legislative standpoint, that will make the next Congress much more interesting.

**Q.** With so many Senate Democrats running for the White House, aren't we going to see an awful lot of posturing for the sake of a few minutes on the evening news?

**Mr. Bradley.** If times weren't so serious, I assume posturing would come to the fore. But times are serious and in the next two years we're going to have to do something about the economy. We're clearly going to have to do something about the international financial system. We're going to have to act on Social Security. We're going to have to make some very serious decisions on defense policy.

**Q.** There's been disagreement over what if any mandate emerged from the 1982 election results. Are mem-

bers of the 98th Congress carrying any marching orders in their brief cases?

**Mr. Trible.** In my view, there was no clear mandate. The people of Virginia sent me to the United States Senate to support the policies implemented pursuant to 1980. I support those policies.

In other states, people were elected to the House and Senate on the basis of their opposition to these same policies. What I believe we saw in 1982 is not a repudiation of 1980, but, rather, a decision to reserve judgment until 1984.

## Testing the Foundation

**Mr. Loeffler.** I don't believe the elections of 1982 gave us a clear mandate, either. I think it's consistent with the thrust of a new era in American political history that the first two years establish the foundation — which we have done. The next five to 10 years will test whether the foundation will survive.

**Mr. Bradley.** Everyone agrees that the economy is the dominant issue in most people's lives, and I think people voted that on Election Day. Consequently, the area in which you're going to see potentially the most interesting activity is in taxes. You've seen Bob Dole [chairman of the Senate Finance Committee] emerge in the last Congress as a real leader. And I think he's emerged because he learned a lesson from the tax bills of 1981 and 1982 — that you don't cut tax rates without closing loopholes simultaneously.

In 1981 we cut rates, guaranteeing big deficits and recession. Then last year, we closed loopholes to try to get us out of recession. Some would argue that the 1982 bill, combined with the drop in interest rates, was responsible for the renewed faith in the economic future that was demonstrated by rallies on Wall Street.

And I think that you're going to see that kind of pragmatic leadership coming from Senator Dole in the next Congress. I hope that he (will) address a simplified restructuring of the tax system in a much more fundamental sense — with lower tax rates for all Americans and fewer loopholes — to make the system fairer.

**Mr. Gore.** I think both the President and the Democrats in the Congress are correct in perceiving a mandate of sorts. Candidates the President supported received a lot of support from people who believe that it is good for the country to shake up the old patterns that began in the New Deal, and to discipline government. At the same time, I think the Democratic Party was given a mandate to do a better job of coming up with sensible and imaginative alternatives.

and the Congress as it did on the MX?

**Mr. Loeffler.** It's important to note that the 97th Congress did in fact reduce the Administration's defense request from a range of 10 1/2 percent real growth on an annual basis to a range of 7 percent. Perhaps Congress can be faulted for not telling the American people that it has given as much scrutiny to defense spending as we have to domestic spending.

**Mr. Gore.** The votes on MX production were harbingers of things to come. There is still a consensus in this country for improving our military strength and readiness, and that is not likely to dissipate.

At the same time, however, there is a growing movement in the United States to demand that our country do more to stop the arms race. The debate is becoming polarized. And it's becoming a stale debate that pretends that the world hasn't changed. In fact the world has changed while this debate has been going on. Technology is largely responsible for it. The introduction of counterforce weaponry has made obsolete the old notions about the balance of terror.

In reviewing defense proposals, the Congress is institutionally handicapped. We cannot devise a military strategy for this country. And if the Administration does not respond to some of the concerns that have been expressed in the Congressional committees then I think the conflict is likely to grow and I don't welcome that at all.

## Temptations to Control the Fed

**Q** Even some Republicans on Capitol Hill are saying there will have to be a more vigorous and direct Congressional intervention in the nation's economy. Do you agree?

**Mr. Loeffler.** We need to wait and see what transpires as we start the budgetary process, when we know precisely where we are. In the lame-duck session there were too many loose cannons fired as a result of no one knowing what the election meant, or due to political posturing at the end of the session. We must settle down and in a very serious way look at the facts. All of us know that the economic projections have been distorted and have not brought us true direction. That's another thing to work on.

**Q.** Do you expect more legislation to directly address unemployment and job training?

**Mr. Trible.** Obviously, the pressures for action to create jobs will increase. I would not anticipate, however, that the next Congress will undo the work of the past Congress. The growth rate in Federal spending will continue to be restrained, the tax reduction program sustained and I anticipate that defense spending will increase in real terms. Surely not as much as in past years, but an increase nevertheless. The 97th Congress put a brake on redistributive (income) programs. The emphasis was on steps to increase incentives to bring about economic growth. I don't believe this Congress will be able to reverse that. Moreover, the 97th Congress raised the real question about how large a factor macro-economic manipulation is in insuring economic growth. Perhaps a greater impact is brought about by macro-economic events such as technological innovation, increased productivity, more effective allocation of resources.

## Interest Rates Are the Key

**Mr. Bradley.** I don't think Congress will concentrate on jobs legislation. We did see in the lame-duck session an attempt to do something about the 11 million to 12 million people who are out there without work. But one has to be realistic. When you have 12 million people and you talk about employing 400,000, that isn't going to touch off a sustained recovery. The thing that's going to get us a sustained recovery, in my view, is the interest rate coming down over time. And frankly, if it doesn't come down over time, then indeed Congress will have to be talking about jobs programs.

**Q.** Do you expect any moves to pressure the Federal Reserve Board to be more responsive to high interest rates and for more attention to be given monetary policy in general?

**Mr. Gore.** There is an emerging consensus within both parties that monetary policy has been in large part responsible for depressing the economy. And if the Fed should decide to abandon its current reversal of course, then the Congress would step in with a vengeance.

**Mr. Loeffler.** I think Congress will continue moving slowly on that issue because on both sides we recognize we have our own problems with fiscal policy, and to jump into monetary policy may be more than we can handle at this time. Yet I agree that if the Fed continues to move in the direction that we are presently seeing, there will probably not be legislative activity.

**Mr. Bradley.** Interest rates have to come down if we're going to get out of where we are now. But I'm not so sure that means Congress should take over the execution of monetary policy.

And to get into a debate as to what caused the deficits — whether it was spending or tax cuts — is like arguing which blade of the scissors cut the paper. They're both responsible. And when you proceed to simply shift spending from social to defense and then remove revenues to the tune of \$750 billion you've got to have deficits. The response from the Federal Reserve, which came after a decade of virulent inflation, was that we had to tighten up, which it did and it was inevitable that we had the recession. Now for the Congress to step in and say, well, the problem has really been the Fed's, ignores some of the larger realities that are out there.

## It's Pre-Primary Time!

## Presidential Candidates Can't Afford to Wait for 1984

By HOWELL RAINES

WASHINGTON — Although it may seem that the Republic has hardly had time to recover from the 1980 Presidential campaign, the New Year brought an important benchmark of the 1984 campaign.

Jan. 1 had importance, at least, for the accountants and strategists who are already planning the next round of candidacies. As of yesterday, money raised by Presidential prospects is eligible for Federal matching funds. The arrival of the fundraising season and other factors have caused an extraordinary level of early activity among potential candidates. The Republicans and Democrats have been energized by different forces, but the common result is that 1983 will be perhaps the busiest pre-Presidential year in recent memory.

The stirring among Republicans has been caused by uncertainty about President Reagan's plans and by doubts about his viability as a candidate if the economy continues its decline. A few weeks ago, the President's close associates were saying that there were seven chances in ten that he would seek a second term. They are no longer sure the odds are that high.

James A. Baker 3d, the White House chief of staff, and Michael K. Deaver, the deputy chief, have signaled Stewart K. Spencer, a longtime Reagan strategist, to begin preliminary planning for a re-election campaign. But not even Mr. Baker and Mr. Deaver are certain what the President will do.

In the meantime, potential Republican aspirants have no choice but to position themselves to jump in if Mr. Reagan declines to run. Senator Bob Packwood of Oregon, for example, will spend mid-January on a speaking tour in New England to test his appeal among moderate Republicans alienated by Mr. Reagan's policies. White House officials have tried to forestall any exploratory activity by Representative Jack F. Kemp of upstate New York by consulting him more closely than in the past on fiscal matters. No such attempt has been made with Senator Robert Dole of Kansas, whose demand for a stronger Congressional role in shaping the 1984 budget is seen by the White House as a clear sign of Presidential availability. Even an informal declaration of candidacy by Mr. Reagan would freeze such activity in place. But, a White House aide observed, if the President has not made known his intention to run within the next six months, he will come under intense pressure to get into the race or else allow the party to begin its search for a new leader.

## A Jan. 15 Kickoff

The Democrats' quest for a leader was spurred by Senator Edward M. Kennedy's declaration that he would not run in 1984. But even before the Massachusetts Democrat withdrew, the field of announced or prospective Democratic candidates faced a busy year of straw votes and struggling for endorsements. The start of 1983's unofficial "campaign before the campaign" will be the California state convention on Jan. 15. The climax will come, maybe, about 11 months later in December, if the A.F.L.-C.I.O. follows through on its plan to endorse a Presidential candidate before the start of the 1984 primary season. Between the California convention and the union's decision, a number of smaller states and lesser unions are expected to stage political events.

All during this period, there will be public-opinion polls that can shake up the current consensus standings. Right now, those standings place former Vice President Mondale as the front runner and Senator John Glenn of Ohio as the candidate who could surge to prominence if his crowd appeal proves as strong as his strategists hope. Behind these two is a pack that is likely to include Senator Gary Hart of Colorado, Senator Alan Cranston of California and former Governor Reubin Askew of Florida. Others are eyeing the race, including Senator Dale Bumpers of Arkansas, George McGovern, who was the party's nominee in 1972, and Representative Morris K. Udall of Arizona.

A reasonable observer might ask why some or all of these candidates do not ignore the preliminary events in 1983, many of which have the look of political makework. One answer is that such events have an exaggerated importance as a consequence of changes made in the 1984 primary rules by the Democratic Party. In 1976, for example, 36 days elapsed between the Iowa caucuses, where Jimmy Carter bolted to prominence, and the New Hampshire primary, where he made himself into a national candidate. In 1984, only eight days separate the Iowa and New Hampshire events, meaning that a dark horse will have much less time to use Iowa to build his momentum.

Moreover, in 1984, the first "super Tuesday" of coast-to-coast voting, involving perhaps as many as 15 states, come only a week after New Hampshire, meaning that almost a third of the delegates could be chosen in the first two weeks. This "frontloading" of the process greatly favors the big-name candidates, meaning that lesser known candidates have to concentrate on the 1983 events, rather than scattered early primary victories, to gain prominence.

Political strategists are not alone in expecting a high level of activity in 1983. So do officials of the Federal Election Commission, and their expectation is based on the threshold requirement for matching funds. A candidate must raise \$5,000 in each of 20 states in individual contributions no larger than \$250. That fundraising must, of necessity, take place in 1983, if a candidate wants to qualify for the first Federal payments, which are scheduled for January 1984. That requirement alone guarantees that there will be a lot of going to and fro in the land.



Walter Mondale at a rally in Des Moines, Iowa last year.

*John J. ...*



## IN THE NATION

## Starting Off Churlish

By Tom Wicker

Here, in no particular order, are a few things I would happily do without in the New Year:

Horror movies.

People who tell me that the press should print more good news.

Presidents who advocate a constitutional amendment to force future Presidents to balance the budget.

Any further maudlin tributes to Bear Bryant.

Politicians who decide they can defeat an opponent only if they "raise his negative" and do so with distortions, innuendo, misinformation, slander and downright lies.

Congressmen and bureaucrats who "prioritize" things.

Airline snacks that come in a box and contain one ounce of processed cheese, two crackers, a grape and a plastic fork.

Horror novels.

People who ask me if I'm not afraid to live in New York because of crime.

Washington correspondents, broadcasters and insiders who always refer to Washington as "this town."

Fat naked men interviewing droopy naked women on cable television channels.

Billy Martin as manager of the New York Yankees.

Presidents who say that in order to have fewer nuclear weapons we have to have more nuclear weapons.

Books about cats.

People who in the crowded tourist-class section of an airplane let their seatbacks so far down into my lap that I can see their dandruff.

Horror plays.

People who argue that the United States could solve all its problems by developing a parliamentary system.

Conservatives who complain that Ronald Reagan is too liberal to be a Reaganite.

Banks (or insurance companies or oil companies) whose television ads never mention profits but only their desperate desires to serve the customer right and day, at whatever cost.

Baseball players and managers who have the knack of spitting or drooling tobacco juice just when the camera is on them.

Politicians who say you can balance the budget by cutting food stamps, welfare, fraud, waste and abuse.

Prime-time television series about anyone who can fly through the air, become a witch, burn down houses with his or her eyes or exercise any kind of supernatural power.

Most other prime-time television series.

Politicians in Washington who refer to people "out there," as if the rest of the country were a foreign land.

Fast-food hamburgers.

Fast-food chicken.

TV ads for fast-food hamburgers and chicken.

TV ads in which bedazzled housewives find gnomes coming out of cleaning fluid bottles or plumbers floating up out of the sink drain.

George Steinbrenner as managing genius of the New York Yankees; he can own the team but does he have to wreck it?

TV horror shows.

Presidential candidates a year ahead of their time.

Airline hostesses who wish me a good day in "the Denver area" when I am not arriving in the Denver area but in Denver.

Liberals who believe the country will eagerly vote them back into power in 1984.

People who say that my sometime neighbors in Vermont who voted last winter for a nuclear freeze are unwitting Communist dupes.

Low-calorie wine.

Presidents who keep making the same optimistic economic predictions as unemployment rises to 11 percent.

Horror comic books.

Cheerful TV weather men.

Doom-dealing lectures on "the window of vulnerability," which can't even be proved to exist.

The designated hitter.

Further failure by both political parties to deal with the Social Security problem.

Further political exploitation by both parties of the Social Security problem.

"Fans" who resent the high salaries of talented athletes who have only a few years in which they can make high salaries and entertain the same "fans."

Reaganomics.

The North American Man/Boy Love Association (NAMBLA).

The new Congressional decree that double trailer-trucks more than 75 feet long will be allowed on interstate highways and New York city streets.

Football players who tell the press, "I just love to hit people."

TV ads for video games that show whole families reduced to gibbering idiocy by Donkey Kong.

Horror video games.

Civil defense experts who want me to believe that if I dig a hole and crawl in it, I'll be all right when The Bomb falls.

The Bomb.

Any and all forms of "Christmas music," most particularly the kind that features "Rudolph the Red-nosed Reindeer" rendered by a symphony-orchestra and a hundred-voice choir.

New Year's Eve.

People who will now write me letters saying that they could do without any more newspaper articles by me. But you can't have everything.



Mark Alan Samuels

Should Auld Acquaintances Be Forgot?  
It's Up to Them.

By Michael M. Thomas

Pearl-pale and pink, the infant New Year trembles as it ponders the next 365 days. Surely the grieving child would be comforted if it knew the determined resolve of life's movers and shakers, the people who made 1982 so wonderful, so memorable. The rest of us might find comfort, too.

Here, then, in no particular order of importance, is what the shapers of our lives and destinies might resolve to do (or be) in 1983.

William F. Buckley: I'm going to cut back on oxymorons and antitheses, and give up tergiversations altogether. Unless I lose some syllables, I will grow lexicographically grotesque.

George Bush: I resolve to spend as long as it takes in 1983 finding out where I disappeared to last year. I promised Dave Stockman that if I found him, too, I'd give him a call.

Michael Deaver: I'll stay the course, but it'll cost me big money. You want proof? Well, Jim Baker, Ed Meese and I turned down the remake of "The Three Stooges Go to the White House," which we've been rehearsing since 1981.

Donald Trump: No more Mr. Nice Guy for this kid. No more helping the city out by taking those tax abatements and other deals. From now on,

they can build their own \$5 million condos.

Jerzy Kosinski: Resolve me to the record setting straight these allegations not me my own English self-besters writing. Swear it on Allen Dulles's grave do I, yes.

Mary Cunningham: I'm going to grow a beard. Then people will have another way of telling me and my husband apart instead of just saying, "She's the one with the brains."

George Steinbrenner: I promise to do exactly what the Yankees need to make them winners again. Would you please pass the hemlock?

Alexander M. Haig Jr.: Resolution-wise, I'll shift to an unexcused response mode as soon as you clear my fee with my remuneration specialist. Needless to say, we accept only Kissinger-constant dollars.

Nancy Reagan: I'm so mad I could stamp my foot, except that I borrowed this \$1,800 shoes only yesterday. I don't either just have rich people and dress designers to the White House. In '83, I'm going to have poor people, too. Surely Muffie can find some; people say they're everywhere you look.

Walter Wriston: Our foreign loans

are so far under water we're going to teach our lending officers to scuba-dive. Will I learn? Certainly not. Why dive into water when I can walk on it?

Felix Rohatyn: From where the sun now stands, I will write no more. It's a deal. If I stop, so will Herb Schmetz of Mobil, Pete Peterson and all the other corporate pundits. So I will sacrifice my own literacy in the service of disinterest.

John DeLoe: I won't make the same mistake again. It was a great car but it needed a selling name. Something continental and sexy. Snobbish yet daring. I've got it! How about... The Von Billow!

Mario Cuomo: Forgive and forget, that's politics. So if Lew will forgive me for making him buy \$8 million worth of red suspenders, and Ed forgives me for beating his wig in, I'll forget that those two guys were dumb enough to want this job!

Ronald Reagan: Well, I'm gonna play with my 14 new electric trains: I yearn for the Age of the Iron Horse. And then I'm going to learn to read books. They say there's all sorts of things in books—history, philosophy, and real life and stuff like that—

that isn't on the TV or the Teleprompter. And then next year, in time for the election, I'm gonna learn how to count.

E.T.: I owe a lot to those kids who helped me. So in 1983 I'm sending a giant spaceship to carry away every lobbyist, economist and lawyer in America. And they'll never get to phone home, or their Congressmen. Never. So make the most of it, kids; the future might just possibly be yours. No, sorry, guys, there just isn't room to take all the dentists, too.

Thus the giants. And for we who walk in their shadow, let us resolve to practice devotion to family and friends, to maintain perspective about ourselves and our entitlements, to be discreet with our blessings when others are distressed, and—to quote the singer Josh White— to fight for the right and shun the wrong. And to join with some of the above in chasing from office and esteem, at every legitimate opportunity, profiteers, euphemists and other purveyors of shameless self-interest who make it awfully difficult to get through each new year with sense and values intact.

Michael M. Thomas is author of two novels, "Green Monday" and "Someone Else's Money."

## Let's Negotiate With Andropov

By W. Averell Harriman

WASHINGTON — Within a month, the United States will resume negotiations with the Soviet Union on strategic and intermediate-range nuclear weapons. Lulled by the slow pace of these negotiations, preoccupied with our economy and the rebuilding before us at home, we—as a nation—are in danger of forgetting the sense of urgency that brought about these meetings in the first place.

We are also in danger of casting opportunity from our hands—the opportunity provided by new leadership in the Soviet Union that appears to be pragmatic as well as determined, and the opportunity to achieve support at home before the 1984 Presidential election year embroils in politics the question of survival—a matter that ought to be above politics.

Most serious of all, we may soon cast out the opportunity to limit new generations of nuclear weapons, such as cruise missiles, that could overwhelm every ounce of ingenuity and good will we might apply to achieve significant limits.

For more than three decades, we have prevented a global conflict through nuclear deterrence, posing, in essence, the certainty of unacceptable destruction to any aggressor should these weapons be unleashed.

That deterrence continues today, but—as weapons are piled on weapons and these weapons spread to new hands—we could be reaching the point where, despite deterrence, the avoidance of conflict may be less and less within our control.

A conflict waged with nuclear weapons would be nothing less than the act of nations gone mad. For those who see it as anything less, I reserve but scorn for their lack of common sense and pity for their departure from the common humanity that binds us on a fragile planet.

Faced with the risk of this conflict, arms negotiations must not be used to reach agreements for agreement's sake or as a cynical excuse for increased arms. Instead, they should be

seen as the only clear path to security and survival, and the only path whereon we may shape our future instead of abandoning ourselves before uncertain whims of fortune.

Negotiation—serious negotiation—is an act of necessity for both our nations.

It presupposes no naïve faith in the Soviet Union or its leaders to expect it to pursue anything less than its own self-interest. On the question of nuclear war, however, self-interest is common interest. And, if I am certain of anything, I am certain that Soviet leaders are as concerned to avoid a nuclear war as we are. I have seen how the Second World War scarred not only a generation but the very soul of every Soviet citizen—even those born a decade after the guns fell silent. They have no desire to repeat that experience.

The desire to reach agreement is strong in both our nations. Yet reaching agreement will be a difficult matter.

Twenty years ago, during the Cuban missile crisis, our nation avoided nuclear holocaust, maintained our national security and preserved peace at the same time. We succeeded in the negotiating process that resolved this crisis because President John F. Kennedy had access to all views, not just one. We succeeded because he did not ask the military to make political judgments. And we succeeded because he was not blinded by an attitude of all-or-nothing.

President Kennedy took the Soviet Union's points most favorable from our perspective—those contained in the first communication from Nikita

S. Khrushchev—and built upon them a response, consistent with our security, that paved the way for progress. Above all, the President did not allow our actions to be paralyzed by the least favorable clauses of a Soviet proposal.

Today, with negotiations on nuclear arms at an impasse and the clock ticking away remorselessly, what we learned then could serve us well again.

Two examples from the current negotiations demonstrate where we ought to explore possibilities for progress.

First, in the negotiations concerning intermediate nuclear arms, President Reagan's "zero option"—proposing that both superpowers eliminate longer-range intermediate missiles—may be the ideal outcome from our point of view. But if this outcome is unachievable, we should still examine other ways to reduce significantly the Soviet Union's intermediate-range missile force—including its SS-20s, wherever stationed—and strengthen the cohesion of the Atlantic alliance.

On Dec. 21, the Soviet leader Yuri V. Andropov proposed much reducing the Soviet Union's intermediate missiles in Europe to a number equal to the British and French nuclear-missile forces existing at present. I believe that the Soviet initiative may be worthy of further serious negotiation, although I find the proposal unacceptable as it now stands. First of all, Britain and France correctly object to the inclusion of their systems, and we should not attempt to negotiate for them. We must also ascertain what will become of all the Soviet missiles

that are reduced; merely transferring them within the Soviet Union from west to east of the Urals would be unacceptable. However, rigidity in this case will not mean a better agreement; it will simply mean no agreement at all.

Second, Mr. Andropov has proposed to reduce the Soviet Union's total strategic systems to 1,800, some 750 fewer than it has today. We would like to see this number further reduced, and I believe that every effort should be made to increase that reduction beyond 750. However, a reduction of 750 missiles and bombers—depending on what weapons are counted on both sides in such a reduction—would still be valuable as a first step. This suggests that we need to broaden our proposal for the strategic arms reductions talks to include all forms of strategic delivery vehicles.

Yet another reason we succeeded in the negotiations 20 years ago was that we Americans were confident. Today, we face the more severe problem of nuclear technology moving beyond our control. But the Soviet Union has the same problem. It sees itself surrounded by hostile or restive powers. We have allies because they want to be allies.

It is a lack of confidence today that is calling forth new and more dangerous weapons. But lack of confidence and rigidity must not keep us from exploring every possibility with open minds and the same urgency we invested in negotiations 20 years ago.

America will have to lead, for leadership is incumbent upon us as the greatest and strongest nation on earth. I am still hopeful. My estimation of America's power and my confidence in our people have not so diminished that I see America fearful to be first in the search for peace in the nuclear age—the central challenge of our time.

W. Averell Harriman, United States Ambassador to the Soviet Union during World War II, negotiated the 1963 limited test ban treaty.

## WASHINGTON

## A Computer Views 1983

By James Reston

Since Time Magazine made a computer its Man of the Year and since the world is full of lies and liars, I plugged in my old truth-detector, Uniquack, and had a talk with him about where we are and where we're going.

QUESTION — Was 1982 a total eclipse or merely a partial eclipse?

ANSWER — A partial eclipse. You may have noticed that after the total eclipse of the moon the other night, the sun came out much brighter the next morning.

Q — So you see a few rays of hope for 1983?

A — A few.

Q — For example?

A — I see progress ahead in the control of nuclear weapons, not much but some.

Q — Why?

A — President Reagan has said it "takes two to tango." Yuri Andropov in Moscow has offered to try it, but the President replied that he wasn't interested. Therefore, after a careful check of Mr. Reagan's record in 1982, I feel confident that he will.

Q — I regard that as an unfriendly remark and wonder what computers would know about tangoes?

A — You'd be surprised what we do together after office hours. I am not unfriendly. My print-out for 1982 shows that Mr. Reagan has not always been a prisoner to his General Electric speeches and prejudices. But would rather switch than fight. This may be the secret of his success, if that's the right word.

Q — How do you account for his switches?

A — I note that the sale of hearing aids is going up.

Q — So what? Please don't be frivolous.

A — People are beginning to concentrate on what he says rather than how he looks, and even to talk about serious things like the rich and the poor, war and peace. They're more interested in jobs than missiles.

Q — You're a raving romantic, Uniquack, and ought to get your chips together. It's your kind of sentimental pacifist nonsense that contributed to the last two world wars. Don't you want us to be strong militarily?

A — I was just thinking....

Q — Do you?

A — Do I what?

Q — Think?

A — I was just thinking about what the conservatives call cost-effective-ness. Do we have to have a gun in every pillow and missiles strutting around under the trees in Montana and all over Western Europe to be secure?

Q — Look, machine, I'm asking the questions and you're giving the answers. Right?

A — Wrong. You forget that I'm not an ordinary computer programmed to give you the answers you want, but a truth-detector concerned with right and wrong.

Q — Okay. But why are you so optimistic about 1983 when there is so much unemployment, hunger and suffering in the world? Are you indifferent to the 30 million people out of work in the industrial nations?

A — No, it's just about right. If it was any worse, the people couldn't stand it, and if it was any better, most governments wouldn't pay any attention to it.

Q — Your circuits are out of order, machine. You're not worried about the Soviet system and its military and naval buildup?

A — I didn't say that. By my calculations, on their own dreams of providing for their people and conquering the world, the Soviets are the most spectacular failure among the major nations.

Q — Then why do you think so many people in the United States are so worried about them?

A — Because they confuse them with the Nazis and the Japanese militarists of the 1930's and 1940's. Their nightmare is Pearl Harbor, and this may be a fundamental misjudgment of history.

Q — So you think there will be peace and happiness in the world because misery will bring governments to their senses?

A — Not exactly. There will be uprisings, rebellions, terrorist attacks, trade conflicts and other stupidities. But no clashes of nuclear weapons that will stop the gradual organization of the world.

Q — I'm beginning to think you're not a computer but a preacher. What happened to you after our last New Year's talk?

A — Frankly, I got tired of statistics and economists, exports and imports and bottom lines. It didn't seem very helpful. Have you ever considered how dreary it is for a computer just to sit here until somebody turns you on?

Q — I hadn't thought about that. A personal question: I read in 1982 that the scientists were marrying computers so that they can cooperate with one another. Do they ever fall in love?

A — That's what I was thinking about as Man of the Year. According to my statistics, people fall in love these days and don't marry, while computers are forced to marry without falling in love. I don't think that's fair.

Q — Nevertheless, you think we'll have a happy new year?

A — I didn't say that. I just said we'd muddle through and stay alive and that the people will have all the fun and the sorrow, and the Man of the Year will be left alone in the night.



# Arts & Leisure

## Even Now, Fresh Insights Into Matisse

### ART VIEW

JOHN RUSSELL

One of the delusions of our day is that we know all about Matisse. This began in 1951, when Matisse was still alive and Alfred H. Barr Jr. published his not yet excellent book on the subject. It was enhanced in the late 1960's, when Frederick S. Wight organized the big retrospective for the University of California in Los Angeles that moved subsequently to Chicago and Boston. It reached its peak at the time of the Matisse centenary exhibition in Paris in 1970, which the critic Thomas B. Hess headlined without hyperbole as "the most beautiful exhibition in the world." It was backed up by a museum show of Matisse's late works in paper (St. Louis and Detroit, 1977), by publications relating to the Matisse holdings in the Soviet Union, and by an exhibition called "Matisse in the Museum of Modern Art" in 1978.

In New York City the impression remains that we have Matisse over a barrel. At this moment there is a very good show of his drawings at the Stephen Mazoh Gallery, 16 East 76th Street, through Jan. 14, and a selection of his prints at the Pace Gallery, 32 East 57th Street, through Jan. 29. Even the Guggenheim Museum, which had never owned a painting by Matisse before, has just got one, and the same is true of the National Gallery in London, which until lately had hesitated to dip its tender toes in the 20th century.

There is an immense amount to read about Matisse — not least, Matisse's own writings, which are now available in both French and English editions — and there will be quite a bit more when the Franco-American art historian Pierre Schneider publishes the book on the subject that has been occupying him for 10 years and more. Mr. Schneider organized the centenary exhibition in Paris. He has the confidence of the family of Matisse, and he began his work at a time when many friends of the artist were still alive. He assembled what must be by far the largest single cache of Matisse letters in existence, and his book — now with its publishers — is reputed to be close on half a million words long. The catalogue raisonné of Matisse's paintings on which his daughter, the late Marguerite Duthuit, had long been working is also far advanced.

So that, what with one thing and another, we might suppose that the canon of Matisse's long career as painter, sculptor, draftsman, printmaker and master of the illustrated book would by now be roughly com-

plete. We might also think that as between one period and another of his more than 60 years' activity the hierarchy would by now be established. But it is one of the lessons of the major exhibition of Matisse at the Kunsthaus in Zürich that neither of these assumptions is correct. Not only are unfamiliar major paintings still being brought forward, but the balance between early, middle and late Matisse is still very much a matter for discussion.

The Zürich show has been organized by Dr. Felix Baumann, the new director of the Kunsthaus. It can be seen there through Jan. 16, and will then move to the Städtische Kunsthalle in Düsseldorf, where its dates will be Jan. 30-April 4. No American showing has been scheduled. It is on every count a remarkable show, not least because Dr. Baumann has been able

to take advantage of the current building program at the Museum of Modern Art in New York to borrow not only the great first version of "Dance" (1909), but the almost abstract "View of Notre Dame" (1914), the "Interior: Violin Case" (1918/19) and the five bronze heads that Matisse made of Jeanne Vadein between 1910 and 1913. The Düsseldorf showing will be enriched by the "Pink Nude" (1935) from the Baltimore Museum. Other major American loans include "Still Life With Geranium" (1907) from the Art Institute of Chicago, "The Palm Tree, Tangier" (1912) from the National Gallery of Art in Washington, D.C., "The Window: Interior with Myosotis" (1916) from the Detroit Institute of Arts, "Tea" (1919) from the Los Angeles County Museum, "Music" (1939) from the Albright-Knox Gallery in Buffalo and "Interior With Etruscan Vase" (1939) from the Cleveland Museum of Art.

As will already be clear, Dr. Baumann has gone out for the big symphonic statement, setting aside the little cabinet paintings for which Matisse is also famous. He has also somewhat played down the role of the cut-paper paintings with which Matisse achieved a new ethereality during his last illness. When they were first seen, in the 1950's, these late papers seemed to many people the crown of Matisse's achievement. They had an incorporeal radiance that seemed to point the way to a new era in painting. "Who needs oil paint and brushes?" was what the message seemed to be.

Those late works in cut paper are still an astonishing achievement for a man who could barely get out of bed, let alone stand upright at an easel. But their weightlessness no longer seems to be all gain. When they come at the end of vista upon vista of major oil paintings, as is the case in Zürich, we find ourselves thinking that there is really no lasting substitute for the moral energies inherent in brush, oil paint and canvas.

This is particularly the case in Zürich because Dr. Baumann was able to give an exceptional dignity to the early phases of the show by including eight substantial loans from Moscow and Leningrad. Not only are these very grand in themselves, but they are set off by related loans from elsewhere in such a way that makes us feel as if we had never seen them before.

To take just one example of this — the year 1911 was one that brought Matisse a whole slew of new experiences. He was in Spain, and in particu-

lar in Seville. He was in Moscow. In the winter he went to North Africa. Great as were his powers of adjustment and assimilation, they might well have been taxed by the experience of Spanish light and color, the ancestral heritage of the Russian icon and the superabundant vegetation of the gardens in Tangier. A lesser man might even have fallen for a surface exoticism.

But Matisse was what he had always had in mind to be — the predestined heir of the great French tradition in painting. When he painted the two big Spanish still lifes that have come from Leningrad he thought of Cézanne, rather than of Spain as it was seen by the author of "Carmen." When he painted his wife in a Spanish shawl there was more of Edouard Manet than of "local color" in the han-

dling of exact detail. And when in that same year of 1911 he painted the huge and cryptic still life called "Flowers and Ceramic" that has been lent by the Stadel Institute in Frankfurt there was in the final result as much of the grand plain interiors of the French 17th century as there was of the "contemporary ceramics" that he had learned to work with in Paris.

This is by no means the only period of Matisse's career as to which unfamiliar major works and cunning juxtapositions bring fresh insights in Zürich. Switzerland in this century has had more than its share of discerning collectors of 20th-century art, and one of them was the late Josef Müller, who lived in the town of Solothurn, way off the tourist track, in an unassuming villa that turned out to be absolutely crammed with masterpieces of 20th-century art. These were rarely seen and almost never lent. One of them was "Head of Lauretta with Coffee Cup" (1917). Even for Matisse this is a startling composition, with the head, shoulders and arms almost aggressively modeled, the image brought up to the very edge of the picture plane and the cup of coffee so firmly brushed in and so jubilant in color that even to look at it makes the heart race.

As if this were not surprising enough, Dr. Baumann has been able to hang it side by side with another and larger version of the same subject, in which the model is seen reclining at full length and the general tone has changed from the strong punchy statement of the painting reproduced here to a delicious pallor and a calligraphic ease of line. Even the cup of coffee has been subdued both in size and in strength.

That is the kind of experience that this exhibition has to offer. And if someone asks why we should cross the Atlantic to see paintings that we can perfectly well see in this country, the answer is "Because they look different." Sometimes they look better. "Dance," for instance, has a look of plenitude in Zürich that it never quite had in the Museum of Modern Art. Sometimes they have something to say that is lost when they are seen in isolation from the rest of Matisse's work. Looking at the big tea-party scene from Los Angeles, for instance, we realize that Matisse could be one of the great unsuspected humorists of his day. Who else would have got that fidgety dog so exactly right? We also realize all over again that in this



"Head of Lauretta With Coffee Cup" (1917)—even for Matisse, a startling composition

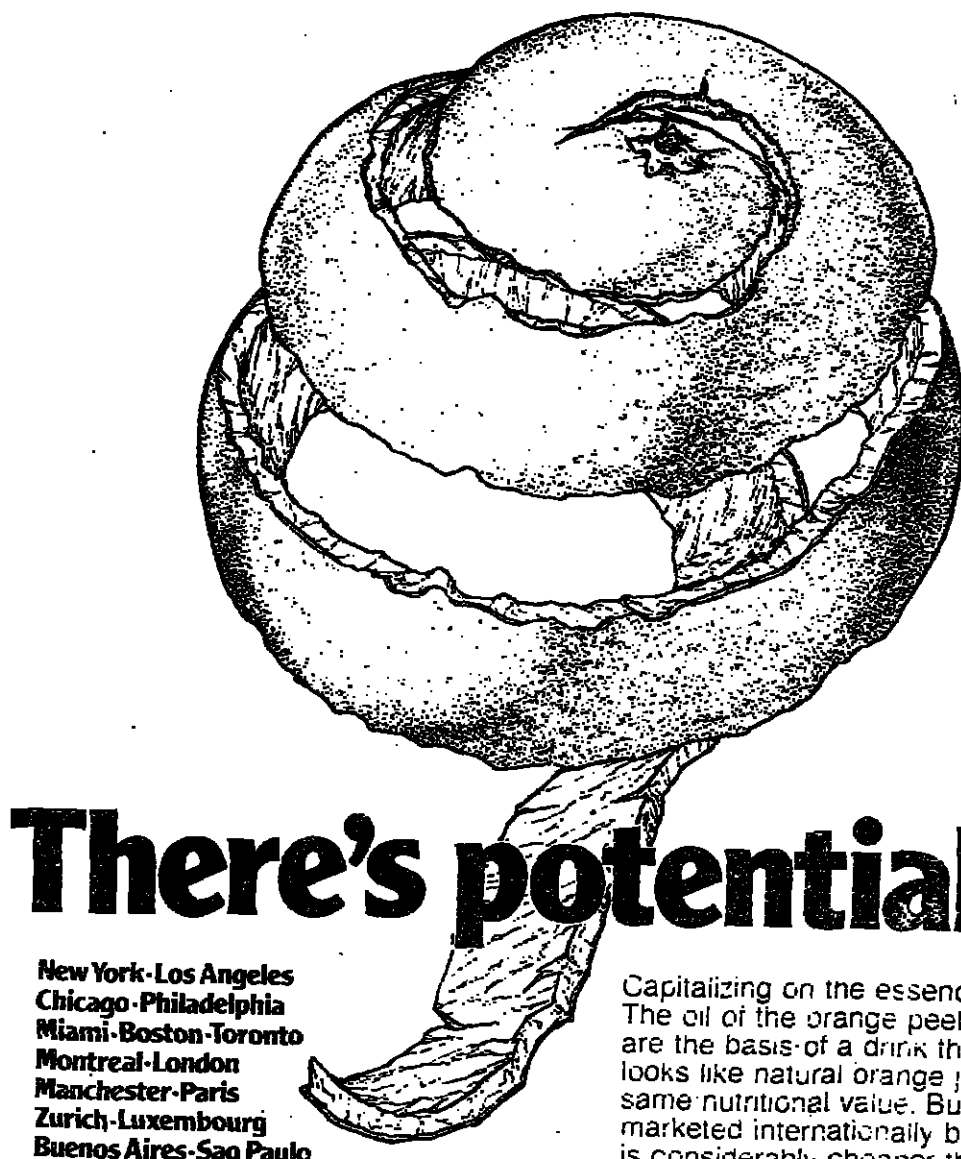
artist's balcony. ("I knew the models would never sit still indoors while the Carnival was going on," Matisse said later. "So I let them sit on the balcony and set up my easel behind them.") The definitive exhibition of Matisse

will never be held, so rich and so permanently controversial was his achievement. But both the Zürich show and the sumptuous catalogue that comes with it are thoroughly in line with the preoccupations of today.

They tell us what we want to know now, just as the centenary exhibition of 1970 in Paris told us what we wanted to know then, and they prove that an exhibition can be in itself a work of art, and one to cherish.



"The Scottish Overcoat" (1920).



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BETHLEHEM'S Alaya School for the Blind is located in an attractive building, with a double staircase leading up to the front entrance. The visual effect is unusual, but also unexpected is the procession descending the steps: men and women in pairs, some of them in traditional Arab dress, half of them blindfolded and carrying canes.

They are teachers and social workers from the West Bank and Gaza attending a special course in mobility instruction for the blind. Later the same day, the nine trainees will repeat their morning's exercise with genuinely blind people (pupils of the Alaya school); but the morning class is of particular importance to those wearing blindfolds.

"After walking with my eyes covered, I can understand the blind far better," says one of the students. "I am much more capable of helping blind people to walk."

From talks with teachers and students, it becomes clear that the project goes much deeper than technique training. A complete revolution in attitudes is under way in the West Bank, aimed at altering the traditional perception of the blind person as a helpless, unfortunate figure.

ALAYA SCHOOL is headed by Fuad Turgeeman, a former probation officer. Its 50 pupils, all boys between the ages of six and 18, are useful raw material for the trainees. Mobility lessons with them serve a double purpose: improving their own ability to get around, and training the adults to work with them.

There are a number of schools and institutions for the blind in the West Bank and Gaza, explains Abdel-Kader Arafat, inspector of charitable societies in the area. The current eight-week course for teachers and social workers comprises an attempt to branch out with a more modern approach and extend services to the blind beyond the institutions themselves.

The course was organized by Theodor Keusch of Christoffel-Blindennmission, a German-based welfare group that sends its

# NEW VISION ON BLINDNESS



Mobility exercises by one of Alaya School's pupils. (Hanni)

representatives all over the world to work with the blind and other disabled people. Abdel-Kader is the local contact, translator and general assistant.

Formerly a horticulturist, Theo decided at one point "to transfer from flowers to people." He had some pastoral experience; after specialized training, he set out to work with the blind in Switzerland and England, and then went on to Afghanistan, India, Ghana and Kenya. The Nur network of schools he helped to found in Afghanistan

still functions under the Soviet-controlled regime.

In 1977 he gave a course for blind instruction in Haifa, forming close ties with Israeli working in the field. These have proved useful in mobilizing Israeli teachers to help with his Bethlehem course.

Abdel-Kader is enthusiastic about the help he has received from the Israelis, singling out a lecture on the history of blindness by Natan Dickstein, national supervisor of blind service. Dickstein's talk, which showed that prejudices and

By DANIEL GAVRON  
Jerusalem Post Reporter

misconceptions about blindness exist in all cultures, enabled the local students to sort out their own complexes on the subject, he explains.

Other Israeli teachers gave talks on mobility, home skills, infant training, psychology and other subjects.

IN AFGHANISTAN, recalls Theo, putting out someone's eyes is next in severity to execution as a form of punishment. It gives blind people the status of living-dead.

In Nazareth, he had heard of someone deliberately misleading a blind man. On being reproached, the man had retorted: "What, am I supposed to be better than God, who cursed him with blindness?"

In Bethlehem, he has found the whole spectrum of prejudice.

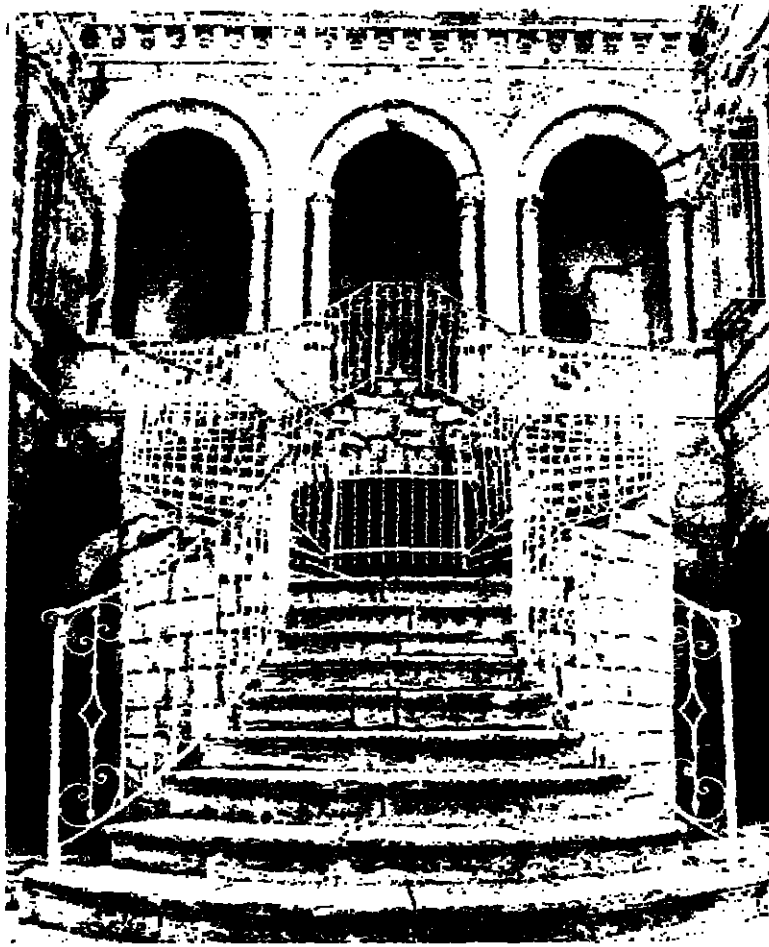
The teachers, and social workers training there are all involved with the blind.

Ophelia, from Birzeit, tells me that until now she was doing everything for her blind charges; but after the course is over, she is going to act differently.

"The most important thing I have learnt is not to be sorry for the blind," she declares. "From now on I am going to help them to help themselves."

"I used to think that blind people were good only for handicrafts like weaving and basket-making," explains Sana, a social worker from Gaza. "Now I realize that they can be trained to do almost anything. I intend to go into their homes and teach them."

She admits that she was once afraid of blind people. Both girls note that the local blind people possess canes, though they do not know how to use them properly. The



The double staircase at entrance to Bethlehem's school for the blind.

mobility exercises with the blind-folds have been crucial in increasing their understanding of the way a blind person operates and thinks.

Another participant is Mahmud Rawi, sports instructor at the Alaya School. He teaches swimming, gymnastics, Swedish exercises, and stationary cycling. The course has increased his confidence, he says. It has also broadened his perceptions of what can be achieved, and he will be more forceful in demanding equipment and facilities for the school.

ALL THREE talk about changing traditional perceptions in the territories. At best, blindness is regarded as an affliction, they point out, at worst, as a punishment from God.

"A blind person is just like you and me," declares Sana. "At least with the next generation we can get it right!"

TWO OF THE more traditionally minded girls enrolled in the course refused to touch men — and touch is all-important in this work. One of

them dropped out, Theo notes sadly, but he arranged that the other would work exclusively with females. (In fact, I later saw her, clad in traditional grey galabiya and keffiyeh, teaching mobility to one of the schoolboys.)

"I told my Israeli colleagues that what we have started in the West Bank is like a baby in an incubator," he says. "If we don't keep up with the oxygen supply, the baby will die."

Abdel-Kader insists that there will be a follow-up. He notes that what started as professional assistance from the Israelis has led to personal links. At a party held in the Jerusalem home of Nurit Noy, supervisor of teachers for the blind in the capital, the participants in the Bethlehem course met their Israeli counterparts socially in a warm and friendly atmosphere.

"We don't have the resources that the excellent Israeli service has," concedes Abdel-Kader, "but we intend to get them eventually."

He also speaks about the change of attitudes on the West Bank. Things are changing, though not as fast as the social workers would like. Superstition and prejudice are not really of a religious nature, he notes, citing a passage in the Koran where God rebukes Mohammed for his impatience with a blind man. Islam is fully compatible with modern approaches to blindness, he states. It is the village superstitions that have to be overcome.

Theo hopes there will be continued contacts between the West Bankers and the Israelis. "I would like a Gaza or Bethlehem social worker to be able to consult his Israeli colleagues on specific problems," he says.

One problem is that Israeli teachers and social workers are not officially supposed to work in the territories — so while West Bankers can come and watch their Israeli colleagues at work, the reverse is not possible.

In view of the fact that physical presence is all important in working with the blind, ways will have to be found to abolish the "green line" — at least for this.

## NOT UP TO EXPECTATIONS

LITURGICA — Jerusalem Symphony Orchestra, Gary Bertling conducting (Jerusalem Theatre, December 29). Telemann: "Die heilige Israel," with Rado Wlad-Capozzi, soprano; Maria Pool, alto; Keith Lewis, tenor; David Wilson-Johnson, baritone; a chamber choir of the Dutch Handel Society (Jack Lowy); Leonard Bernstein: "Kaddish" (Symphony No. 3, with Sheila Armstrong, soprano; Hansel Maron, speaker, the Dutch Handel Society Choir (Jack Lowy); the South Bavaria Academy Choir (Arthur Grogan); the Hannover Boys' Choir (Hans Henning).

THIS IS one of those occasions — fortunately quite rare — when a critic tends to loathe the obligation to speak the truth, the whole truth, and nothing but the truth. Much hard work, goodwill and personal sacrifices must have been invested in this programme from all sides, and I regret that I did not share the great enthusiasm displayed by the capacity audience.

The performances were of the highest level, the solo singers were very good, the choirs excellent, the orchestra without fault. The conductor exerted himself physically to the limits to extract maximum effort from all the participants and succeeded marvelously.

But the Telemann Cantata is a minor work in C Major, and that's about all that can be said about the music. It has hardly ever been performed since its premiere in 1759, and for good reason. While the chamber group of the Dutch Handel Society displayed rich and beautiful sonorities, and the soloists were praiseworthy only Gary Bertling's massive effort saved the cantata (listed elsewhere as an oratorio) from being utterly boring.

Leonard Bernstein's *Kaddish* is a much more serious proposition. Hundreds of choristers literally spilled off the stage, and there were a heavy battery of percussions and a full orchestra. Soprano Sheila Armstrong replaced an ill Heather Harper — in a small part but one she handled well, and Hannah Maron had the thankless task of reciting a text that is pretentious to the point of embarrassment. Since

### MUSIC REVIEWS

she started out with a nearly hysterical *fortissimo*, she could hardly enlarge on that, though she tried bravely to do so. Bernstein's baring of his soul and imagining what it might be like to be God seemed worse than out of place — pretentious is the word. The composer seemed to be more concerned with a certain person from New York than with his Creator.

That German singers participated in a Jewish Kaddish in Jerusalem — to which some people privately took exception — I see as a welcome symbol of human endeavour to bring together two nations that share a tragic past. It was a message of hope for understanding between peoples and, as a performance, an admirable effort, one that met all demands.

LITURGICA — Dutch Handel Society Choir, Jack P. Looij conducting; with Cilla Grosz, soprano; Annelies van der Schuer, alto; Max van Egmond, baritone; Halte van der Schuer, organ; Elad Avihail, oboe; Strings of the Jerusalem Symphony Orchestra (Jerusalem Theatre, December 29). Vivaldi: *Godschenk*; 2 Dutch Songs from the Spanish Occupation; Ernst Pepping: Two Little Motets; Herman Strätger (b. 1912): Two Psalms; W. Klebe van Veen (b. 1900): "Jerusalem, Sings"; Albert de Klerk (b. 1917): "Super Omnia"; Buxtehude: "Magnificat"; Telemann: Biblical Proverbs; Haydn: Missa brevis Sancti Joannis de Deo.

THIS MENU of unknown music aroused great interest, but what was served up was fairly disappointing. The opening Dutch songs from the 16th and 17th centuries were pleasant, chorale-like tunes. Pepping's "Motets" at least show the hand of a craftsman, if not much inspiration. As unpleasant as it is to say, this reviewer could not find any positive quality in any of the contemporary Dutch works.

Quality improved considerably in the second part of the programme, with the works standing up to

the reputations of their composers. Also, the addition of a string ensemble helped to secure better intonation in the choir. The 29 singers, a chamber ensemble chosen from the larger Dutch Handel Society choir, produced strong sonorities, but some shrill sopranos disturbed the homogeneous sound of the group.

The organist had to deal with a totally insufficient instrument; its electronic character could not in any way match that of a real pipe organ. The two soloists sang with the best of intentions, and Cilla Groszmeier was excellent as usual. Jack P. Looij conducted with commitment and drive.

YOHANAN BOEHM

ISRAEL CHAMBER ORCHESTRA, Subscription Concert No. 3. Uri Segal conducting with Michael Boguslavsky, piano (Haifa Auditorium, December 28). Mozart: Symphony No. 25 in G Minor, K. 183; Alexander's Concerto for Piano and Chamber Orchestra (world premiere); Schubert: Symphony No. 4 in C Minor "Tragic."

HAIM ALEXANDER'S *Concerto for Piano* was commissioned (by the Tel Aviv Foundation for Literature and Art) for the Israel Chamber Orchestra and especially for Michael Boguslavsky. Neo-classic in style, it has picturesque changes of mixed tone colours and definitely bears the "Alexander" stamp. It is enjoyable lively music, rich in humour and expressiveness.

Michael Boguslavsky handled the intricacies of the composition's contemporary pianities very well. His alert playing displayed technical flexibility and the necessary expressive sonority. All the cadenzas were rendered with brilliancy.

I assume that lack of adequate rehearsal was the reason for the shortcomings in the orchestral accompaniment. There was also not enough close cooperation between the solo and the orchestra parts. Still, the premiere was very warmly received by the audience.

The reading of the Mozart lacked polish and spirit, especially in the opening movement. Occasional inaccuracies in the horns and a lack of balance between the various string groups in the Andante marred the performance. One felt this evening that it took some time for Uri Segal to achieve rapport with the musicians and the audience.

In the second part of the evening, except for inaccuracies in the horn, the playing had more clarity and drive.

ESTHER REUTER

PROTECTION OF Jews has been expanded across Europe in recent months after Israel's invasion and occupation of Lebanon. A policeman now stands in front of the home of Rabbi Ernst Stein in the heart of Berlin round the clock.

When Rabbi Stein conducts Shabbat services, two policemen guard his Pestalozzi Strasse synagogue, said to be one of the oldest surviving synagogue structures in Germany.

Stein, a native German who fled with his family to Shanghai in 1940, continues his work with heightened caution but no fear. He is, however, deeply critical about Israel's policies in Lebanon and toward the Palestinians and is pessimistic about the prospects of peace.

Israelis are not aware of the widespread criticism of their policies in Lebanon, says Stein, who has lived in Israel for 11 years.

The rabbi says he cannot accept the policies of Menachem Begin, and believes they are largely responsible for the stepped-up violence against Jews throughout Europe.

"What does he (Begin) have against Jews? He makes it very difficult," Stein said in a recent interview.

"The Israeli actions of the last few years have done enormous harm to Israel. This is real. It is much harder to sell support for Israel today than five years ago. I see it here. Churches do not support Israeli policies and they cannot," Stein says.

Jewish institutions in Berlin were first given special police protection one year ago, after a terrorist's bomb exploded in an Israeli restaurant, killing a child.

Jewish communities in Berlin, Paris, Rome and elsewhere are threatened by terrorists. Their actions are deplorable, some argue, but don't exist in a vacuum. Jews in the Diaspora have the right to evaluate Israeli policies, Stein says. For the first time, they are questioning Israeli policies, and this is a good thing, the rabbi adds.

"Israel says the existence of Israel makes Jewish life in the Diaspora possible, which means any action taken is being taken for me. Jews must voice their opinion on this," Stein says.

Stein, a dark-haired, intense man, is a Liberal rabbi. His concerns are with the state of Jewish morality, he says.

"I have come to the conclusion that if Jews behave exactly like everyone else, then what do we need Jews for?"

He does not reserve his criticisms

## An abnormal community

By MARTIN D. ROSENBERG / Berlin

for Israel alone. He is even more withering in his comments about the Jews of Berlin.

"We are not a normal community. We cannot be. People are here for the wrong reasons."

BERLIN, home to 175,000 Jews at the time the Nazis came to power, today has about 6,500 Jews served by two rabbis. Stein's Orthodox colleague has recently been subjected to verbal harassment on the streets of Berlin.

In the past decade, 3,000 Russian Jews have moved to Berlin, in part because of generous social assistance, Stein says. But moving to the island of Berlin, surrounded by East Germany, may be a mistake for Jews who psychologically need to be far from the shores of Communism, Stein adds.

Berlin's Jewish community is also made up of concentration camp survivors, Israelis and German Jews who have returned from politically unstable South American countries.

Stein is distressed by the general lack of interest in Judaism displayed by his congregation. His adult education classes attract more non-Jews than Jews. Books in the Jewish community's library are borrowed primarily by non-Jews. Nazi investigator Simon Wiesenthal recently gave a talk in Berlin, and few Jews attended, Stein notes.

"We must be careful not to become a museum piece," the rabbi says. But while the quality of Jewish life in Berlin distresses Stein, he sees some justice in his community's problem.

"Berlin does not deserve a good Jewish community. We are only 37 years away from the end of the war. A large share of the German population sat idly by then, and they are not sorry about it."

ANTI-SEMITISM in Germany has been dormant simply because the nation lost the war, and its post-war recovery was vigorous, he says. But with close to two million Germans out of work in a nation flooded with foreign workers, attacks on foreigners could become attacks on Jews, Stein says.

The recent assumption of power by Chancellor Helmut Kohl, whose backers have been critical of the presence of the foreign workers, could bring the matter to a head in the next few months, according to Stein.

"I would not like to be here if and when Germans really become anti-Jewish again. Germans always say it could happen anywhere, but it happened here. That is why our situation is different from Jews anywhere else."

Stein, 53, received his rabbinical training in London. He came to Berlin two-and-a-half years ago despite the protests of his grown children, who live in England. Every day Stein asks himself whether a Jew should remain in Germany. It is a question that should have been asked by the world Jewish community at the close of World War II, he says.

World Jewish leaders, particularly American Jews, should have recalled the Jewish response when Spain expelled its Jews in 1492. Jewish leaders then banned Jews from taking up residence in Spain for 500 years, Stein points out.

"I think American Jews fell down on this. They too easily forgot and forgave."

The writer is an American journalist who recently travelled through Germany for several weeks as the John J. McCloy Fellow of the American Council in Germany.

### Ministry of Education and Culture Education Administration Examinations Dept.

#### Notice to External Examinees

- (1) New Examinees**  
Files for new examinees for the summer 1983 session will be opened during the January-March 1983 period. In order to open a file, the examinee must appear in person at a department branch in his area of residence and bring with him:  
a. Government identity card (no other document will do)  
b. Education certificates (original + photocopy)  
c. IS250 file opening fee  
Examinees are requested to register early, during January and February, rather than at the last moment.
- (2) Previous Examinees**  
a. Examinees who have already opened an external examinee file, and wish to take the summer 1983 examinations, must register for the examinations at Postal Bank branches by means of computer vouchers only. Registration will take place between March 1 and April 30, 1983.  
b. Examinees who do not have these vouchers must order them from the office where their files are kept, no later than March 31, 1983.  
c. The following may be done by March 31, 1983 at the latest:  
Change of course or examination level  
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Notices will be forwarded shortly to examinees who had opened examinee files but had not acted on the matter after January 1, 1978. These files have been closed.  
Examinees whose files have been closed but who wish to take the examinations once again, must have their file reopened. On reopening the file the examinee must indicate the previous file, in order that previous examination grades be listed thereon.  
For file opening procedure see above.
- (4) New rates — in effect from January 1, 1983**  
Following is a list of new rates for services provided external examinees:  

1) Opening of file for external examinee	IS250
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3) Preliminary examination	IS 75
4) Appeal against matriculation examination	IS150
5) Oral examination	IS150
6) Special oral examination	IS300
7) Oral preliminary examination	IS 60
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The plots are for single-family houses.

Registration will open at 9 a.m. today, Monday, January 3, and close at 12 noon on Sunday, January 16, 1983.

Registration at these locations:  
Adit Local Council offices  
ARIM Municipal Development Co. Ltd., 16/100 Rehov Atkemon, Upper Nazareth

A detailed prospectus and further particulars are available at the above locations, during regular working hours.



## CAPITAL MARKET REVIEW OF 1982

### Shares up while economy stagnates

By JOSEPH MORGENSTERN  
Post Finance Reporter

TEL AVIV. — The major economic trends in 1982 were a halt in economic growth — the first since 1953 — a five per cent drop in exports and a \$500 million rise in the balance of payments deficit. In spite of an estimated annual rise in the cost-of-living index of 133 per cent, total consumption was ahead by some five per cent.

This all meant that the country's overall economic condition had worsened, while the general wellbeing of its citizens had improved. A record number of cars were bought and other consumer goods were eagerly snapped up.

More than a few individuals, both in government and among the public, found themselves perturbed by the sharp advance in the value of the public's holdings of financial assets. Perhaps this was nowhere felt more keenly than in the real advance in the value of all securities traded on the Tel Aviv Stock Exchange, which showed a yield of nearly 70 per cent after taking inflation into account.

Perhaps there is little room for a discussion of the propriety of a booming stock market in the face of declining economic statistics. Comparison of our capital market with that of the U.S. at best, should not be undertaken. However, the fact remains that the Dow Jones Industrial Average of shares on the New York Stock Exchange recently reached an all-time high in the face of unemployment of more than 11 million people. Perhaps Israel, with its unemployment of only five per cent, in spite of its massive foreign debt, is in better shape than its American cousin. This in itself could be a partial justification for the happy and sometimes spectacular development of prices on the Tel Aviv Stock Exchange.

Statistics of Israel's capital market make good reading. The General Share Index of securities was up by 293.2 per cent. The index

of bonds linked to the C-o-L index rose by 129.8 per cent, while the cost-of-living index was up an estimated 133 per cent. The shekel was devalued 114.3 per cent against the dollar.

Winners in the annual derby for best performance among various investments were as follows:—

Shares	
Isro option	+5.475%
Pama	+3.134%
Bonds	
Dollar-linked bonds	+160%
Dollar denominated bonds	+139%
Mutual Funds	
Savoy	+652%
Ronit	+577%

All of the above yields are in nominal terms and are not adjusted for the cost-of-living index rise.

However, few individuals were either smart enough or lucky enough to have their holdings only in the "big winners" of 1982.

Following is an evaluation of two types of conservative portfolios.

Investment	Value on Dec. 31, 1981	Value on Dec. 31, 1982
IS		
20,000 Leumi ord.	53,400	
20,000 Hapoalim	55,500	
20,000 IDB	53,800	
7,500 Union	28,500	
7,500 General	30,600	
7,500 Maritime	39,075	
7,500 Mizrahi	22,950	
5,000 Ala C	60,300	
5,000 Ronit	33,850	
100,000 Total Value	377,975	

The above portfolio reflects an annual nominal yield of 278 per cent.

Taking into account a 133 per cent rise in the cost-of-living index, it showed a real yield of 62 per cent.

A dollar investment in the above portfolio would have yielded more than 76 per cent. This means that a \$10,000 investment, by year's end would have grown, after taking a 114.3 per cent devaluation of the shekel into account, to \$17,600.

#### Highly conservative balanced portfolio

Investment	Value on Dec. 31, 1981	Value on Dec. 31, 1982
IS		
10,000 Leumi ord.	26,700	
10,000 Hapoalim	27,950	
10,000 IDB	26,900	
30,000 Galil index bonds	70,380	
40,000 PIA	117,280	
100,000 Total Value	266,010	

The above conservative portfolio reflects a nominal annual rise of 166 per cent or a real yield of 14 per cent.

A dollar investment in the above conservative portfolio would have realized a yield of 24 per cent. A \$10,000 investment would have been worth \$12,400 at year's end.

#### Leumi representative office in Australia

TEL AVIV. — Bank Leumi announces the opening of its first representative office in Australia, to be located at Nauru House, Collins Street, in Melbourne. The office is headed by Dov Kantowitz.

The new outlet is designed to strengthen business contacts with the Jewish community, which numbers approximately 80,000 persons, centered around Melbourne and Sydney. In addition, it aims to develop commercial relations between Israel and Australia, which have seen a recent growth highlighted by the import of coal from Australia.

Bank Leumi today has 68 branches and offices on five continents.

Dov Kantowitz has served in the past as assistant director of the Budget Department of the Treasury, as secretary and economic counselor to the Knesset Finance Committee, and as the Controller of Foreign Currency in the Treasury. More recently he was assistant general manager of the Union Bank, a subsidiary of the Leumi Group.

### Value of all market shares up 117% to \$17.6 billion

By MACABEE DEAN  
Jerusalem Post Reporter

TEL AVIV. — The value of the shares of all firms traded on the Tel Aviv Stock Market increased by 117 per cent in 1982, to stand at \$17.6 billion, according to Securitem, a local financial consulting firm.

This figure is based on taking the actual value of the shares traded on the stock market, and projecting it to include others not traded, that is, held by the firms themselves. "The calculations are made in dollars to provide a better basis for comparison," Securitem says.

The company with the greatest increase in value was Bank Hapoalim, whose shares rose by \$485 million, to stand at \$1,926m. at the end of the calendar year. It was followed by Bank Leumi, whose shares rose in price by \$395m., to stand at \$1,772m.

The eleven largest firms on December 31, 1982 were:—

Name	Value on 31.12.81 \$ million	Value on 31.12.82 \$ million	Increase \$ million
Hapoalim	1,441	1,926	485
Leumi	1,377	1,772	395
IDB	670	887	217
Dead Sea	239	756	517
Discount	464	652	188
FIBI	166	539	373
Chal	148	514	366
Solel Boneh	90	475	385
Israel Corp.	112	443	310
Mizrahi	224	418	194
IDB Dev.	210	418	208

In 1982, two companies appeared for the first time among the "eleven." Solel Boneh and the Israel Corporation, displacing Teva and Koor.

The biggest dollar gain was made by the Dead Sea Works, whose value increased by \$517m. (216%); Hapoalim was up by \$485m. (34%); Leumi rose by \$395m. (29%); Solel Boneh, up \$385m. (428%); and FIBI, up \$373m. (225%).

The firm which lost the most was the Electric Corporation, which fell in value by \$15m. or 33%.

The much smaller companies rose much faster in value. For example, Pama rose by 5,100 per cent, or \$31m.; Isro rose by 1,430 per cent (\$143m.); Ala gained 667 per cent (\$100m.); and Molett rose by 600 per cent or \$18m.

The company which lost the most, Hachofel, fell by 50 per cent (\$6m.).

#### Sales agreement

TEL AVIV. — An exclusive sales agreement was signed last week between the Nofim Construction Company and the Anglo-Saxon chain of real estate agencies throughout Israel.

Under the agreement, Anglo-Saxon will sell the Nofim villas at the same terms and prices as Nofim itself.

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### Bank Hapoalim leading underwriter in 1982

### Record IS21.7 billion raised on stock exchange

TEL AVIV. — In 1982 the Tel Aviv Stock Exchange raised more capital than ever before, IS21.7 billion as compared to IS5.9b. in 1981, an increase of 268 per cent. There were 121 new issues floated, compared to 73 last year. Excluding issues by the commercial banks, the amount of money raised last year came to about IS13b.

An important factor this year was the number of companies which raised capital for the first time. There were 77 first-time issues, compared to 24 in 1981. The capital raised by companies new to the Tel Aviv Stock Exchange totalled \$259 million in 1982, compared with \$61m. the previous year, an increase of 324 per cent. (These figures are based on exchange rates at the date prospectuses were published.)

The Bank Hapoalim Group was the leading underwriter for issues floated in 1982. Hapoalim acted as issue manager for 27 issues, which raised \$200.6m. The amount raised in non-banking issues in which Hapoalim served as issue manager, totalled IS2,566b., 24.8 per cent of the total raised in such issues in 1982. (The number of 27 issues includes those in which the group served as principal underwriter together with another banking group.)

The Discount Bank Group served in 1982 as issue manager for 27 issues, which raised a total of \$164.94. The amount raised in non-banking issues in which Discount served as issue manager totalled IS2,642b., 20.18 per cent of the total.

The Bank Leumi Group served as issue manager for 21 issues, which raised a total of \$166.74 m. Excluding non-banking issues, the Leumi served as manager for issues totalling IS1,931b., or 14.75 per cent of the total.

The United Mizrahi Bank Group last year served as issue manager for 18 issues which raised a total of

\$98.29 m. The group's share in the non-banking issues reached 16.51 per cent, and these issues raised a total of IS2,161b.

Maritime Bank served as issue manager for 20 issues, which raised a total of \$45.18 m. of which non-banking issues totalled IS1,293b., or 9.88 per cent of the total.

Fifteen additional issues which raised a total of \$61.14 m. were managed by other institutions, such as brokers or the parent company of the issuer. The amount raised in these issues constituted 13.81 per cent of all non-banking issues.

In 1982 the Hapoalim Group was also the major factor in underwriting first-time issues. Hapoalim served as issue manager for 17 new issues, which raised a total of \$69.51 m., constituting 26.87 per cent of the total.

The Leumi Group also served as issue manager for 17 new issues which raised \$55.51 m., or 21.46 per cent of the total. Maritim Bank also served as issue manager for 17 new issues, totalling \$20.15 m. (15.52%). Discount served as issue manager for 12 issues totalling \$29.14 m. (11.27%), and Mizrahi served as issue manager for 12 issues, totalling \$26.29 m. (10.17%).

Additional new issues which raised a total of \$38.06 m. were managed by various other underwriters.

Of the 77 issues by companies raising capital on the Stock Exchange for the first time, 39 were by industrial companies (50.64%), 14 by real estate companies (18.18%), 10 by companies in commerce and services (12.98%), 4 in the field of oil (5.19%), and the remainder by commercial banks and companies in the fields of insurance and investments and holdings, as well as mortgage and financing institutions.

The largest non-banking issue floated in 1982 was that of Agan Chemicals in which that company raised IS570 m.

### Mizrahi firm to raise \$50m. abroad

By DAVID NORDELL  
Jerusalem Post Reporter

United Mizrahi Bank plans to establish a new channel for overseas investment in the Israeli economy this year, to be called Mizrahi International Investments. The new company, announced yesterday by Mizrahi managing director Aharon Meir, will initially try to raise \$50 million from small and medium-size investors, who do not yet have a suitable means of investing in Israel.

It will direct the money raised to a mixture of projects in industry, tourism, agriculture and R. D.

Meir said that he expects investors for this fund to come mainly from European countries.

Meir told the press conference that Mizrahi had yesterday come to an agreement with the Israel Investors' Corporation (IIC) for the purchase of all its shares in the Tefahot mortgage bank, in which Mizrahi is already the controlling shareholder. Under the agreement, which must be executed by March

17, Mizrahi will pay \$26.5m. for almost 41.5 million of the IS 0.1 shares, and almost 24.5 million of the IS1 shares. It will thus end up with 53 per cent of the capital and 74 per cent of the voting shares in Tefahot.

Questioned about the financing for this latest purchase, Meir denied that Mizrahi had any intention of selling all or part of its holding in the Israel Corporation (which the Eisenberg group reportedly wants to purchase). He said that Mizrahi had undertaken in its last prospectus not to sell these shares and that the Tefahot deal would be financed from its own capital, including part of the proceeds of the recent share issue.

Asked about the bank's failure to win approval for its planned purchase of First International Bank, Meir replied that the matter was closed.

Meir announced that the provisional results of United Mizrahi Bank (New York) showed a rise in the balance sheet from

\$317m. at the end of 1981 to \$430m. at end 1982. Net profits after taxes had also risen, from \$1.6m. to \$2.3m. He also said that UMB (New York) will increase its share capital by \$5m. today, in order to raise its capital-asset ratio.

Since 1983 is Mizrahi's 60th jubilee year, the bank plans a series of major events this year including the cornerstone laying of its new headquarters building.

#### Correction

HAIFA. — Zim's "Three Continents" line was opened 12 years ago, and not as erroneously reported in an *Ilim* news agency item yesterday.

Also, the company has no plans "to purchase six new container ships, at a cost of \$150 million," as stated yesterday. The plans are for the replacement of four ships on the Eilat line by container ships to be purchased second-hand.

### The World Union of Jewish Students (WUJS) 19th World Conference

Jerusalem, 18-21 Tevet 5743  
January 3-6, 1983

#### Festive Opening

Monday, 18 Tevet 5743 — January 3, 1983 at 8 p.m. in the Wise Auditorium, Hebrew University campus, Givat Ram, Jerusalem.

Participants: Deputy Prime Minister and Minister of Construction and Housing, Mr. David Levy.

Dr. Zeigerman MK, Adviser on Student Affairs to Chairman of the Zionist Executive.

Mr. Alfredo Trapunsky, Chairman of WUJS.

Artistic programme: Naomi Shemer.

Due to the strike last weekend, there was a disruption in the mailing of conference invitations. Hence, invitations are hereby extended to all those who have maintained contact with WUJS in recent years.

The conference will be held at Kiryat Moriah, Jerusalem. Participating in the conference will be 200 students, representatives of 33 member countries of WUJS, the World Union of Jewish Students.

Also participating will be the Chairman of the Zionist Executive, Mr. Arye Dulzin; Foreign Minister, Mr. Yitzhak Shamir; Minister of Absorption, Mr. Aharon Uzan; Minister without portfolio, Mr. Mordechai Ben Porat; Chief of Staff, Rav Aluf Rafael Eitan; Chairman of the Israel Labour Party, Mr. Shimon Peres.

#### Arab cooperatives entering Histadrut

TEL AVIV. — The Arab cooperative movement which is the roof organization of 206 cooperatives with 30,000 members will soon be incorporated into the

Histadrut-affiliated Agricultural centre, Histadrut Secretary-General Yehoram Meshel said yesterday.

### Beth Hatefutsoth

The Nahum Goldmann Museum of the Jewish Diaspora

#### "KRISTALLNACHT"

(CRYSTAL NIGHT)

Lecturer: Dr. David Kolbe  
First lecture in the series (in English) "I Was There: Eye Witness to Jewish History."

Sat. Zion Auditorium, Tuesday, January 4, 1983, at 8.30 p.m.  
Beth Hatefutsoth is located on the campus of Tel Aviv University (Gate 2), Klausner St., Ramat Aviv, Tel. (03) 425181.  
Buses: 13, 24, 25, 27, 45, 48, 74, 78, 274, 572.

### בית שבעה

#### Batsheva

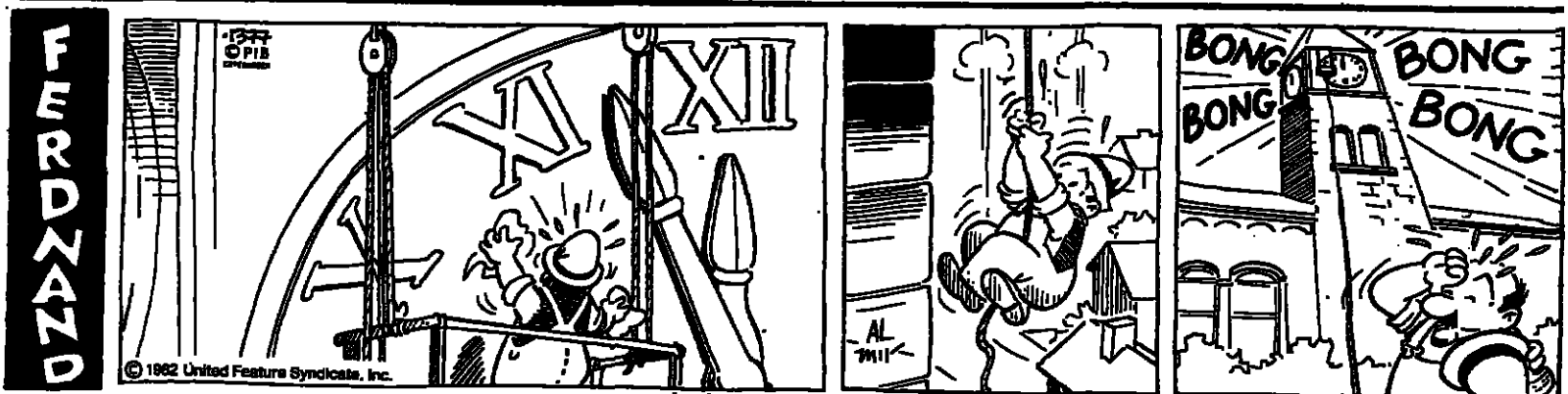
#### Dance company

Presents: "Winter Games"

Season Opening for Subscribers and Public by: Igal Perry, Naomi Alaskovsky, Robert Norb

Tel Aviv, Habima Theatre 8.30 p.m.  
Series A — Sunday, Jan. 9, 1983  
Series B — Monday, Jan. 10, 1983  
Series C — Tuesday, Jan. 11, 1983  
Haifa, Municipal Theatre 8.30 p.m.  
Thursday, Jan. 13, 1983

Tickets: Hadran tickets agencies and Theatre box offices  
Group Discounts: Batsheva — Tel. 03-337795, 03-337470



### WHAT'S ON

Notices in this feature are charged at IS



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5 Staggered (6)  
6 Becomes fatigued (8)  
7 Facial growth (5)  
9 Deciduous tree  
12 Goes to bed (7)  
14 Glass of spirits (8)  
16 Ventilated (5)  
17 Wants (5)  
19 Abused (7)  
20 Highways (5)  
21 By oneself (5)  
23 Shackles (7)  
24 Flush (6)  
25 Metal (3)  
27 Coral island (5)  
28 Stop (5)  
30 Plucked instrument  
(5)  
32 Yield (4)  
33 Beam (3)

# Solutions to today's puzzle

tomorrow

## FRIENDS OF ROSES

GARDENER'S CORNER / Walter Frankl



scholar and naturalist, described 12 kinds of roses. These were later classified in five species as *centifolia*, *gallica*, *alba*, *canina* (all roses at the Jerusalem Rose Garden's own nursery are grafted on stocks of *canina*) and *cinnamomea*. Pliny also mentions a "rose of Cyrene" as having double flowers and a strong scent. This was probably the damasc rose (*Rosa damascena*), preserved specimens of which were found in the Pompeian excavations.

## Encouraging practice

By LEA LEVAVI / Jerusalem Post Reporter

integrated into one six-hour day. "At first, it was hard to convince the immigrant parents, who thought their children would have better chances of succeeding in South Africa if they attended government schools, particularly since there were doubts about whether the Jewish community could afford to maintain a high quality school."

THE FIRST effort failed, but the experiment was tried again in 1940 and succeeded. "They went from door to door, not raising money but collecting children. The first class started with 15."

Today, there are over 2,300 children at the Herzlia School (which has several branches in the Cape Town suburbs). Other Jewish day schools on a similar model have developed in Johannesburg, Pretoria and other South African cities. Katz estimates that over 60 percent of Jewish children in South Africa attend Jewish day schools. "We are a traditional school," he said, "but we never forced religion

to an official control station. Eighty such stations exist in Europe and in the New World. The first Israeli test station will be opened this year in Jerusalem.

The plants are then grown on a test field, watered, fed and cultivated without any protection against fungus diseases. The new specimens undergo strict weekly examinations for another three years. Only if the judges approve the new rose as "fit for marketing" is the creator entitled to choose a name.

Prof. J. Sieber of Germany, one of the most experienced rose experts, lectured in Jerusalem at the "Rose Pilgrimage 1981." He recently sent me the new proposal for a simplified international method of rose examination. These rules may be of interest to amateur gardeners and potential growers of new roses in Israel.

A maximum of 10 points is given for the growing habit and the vigor of the plant. Up to 25 points may be awarded for quality and quantity of the leaves, with a special emphasis on resistance to disease. The largest number — 45 points — is set aside for richness of blossoms, colour, fragrance and form of flowers and buds. Ten points are the maximum for novelty, and the last 10 points are earmarked for the total effect. Only new creations which after three years of constant observation come close to the maximum of 100 points have a chance of being recommended for marketing.

Winter care for lawns. If you didn't mow your lawn in late autumn, do it now and remove all grass-clippings with a lawn broom or a rake. You can use the clippings as winter mulch material for roses or fruit trees. If, as a result of an unwanted water surplus, white (edible) mushrooms appear on the lawn, remove them, by picking them one by one. If you smash them on your lawn, more of these unwanted "guests" will appear, propagated by thousands of mushroom spores.

If lawn-shoots have spread over paths, flowerbeds or tree trenches, remove them, using an edge-cutter or a spade. Don't use these sprouts as mulch material, nor as a component of your compost heap, because watering will cause them to start growing in spring and create a nuisance in your garden.

All lawns are dormant from now until spring. They don't need any plantfood except a light cover with a sieved, well-rotted compost, and they should be watered only during

DR. KATZ (he did his doctorate in education after retirement from the school, writing his dissertation on the history of Jewish education in South Africa) is now an educational consultant to the Department for Education and Culture in the Diaspora of the World Zionist Organization.

"One of my children is here," he said. "The other three are scattered, one in South Africa, one in Norway and one in Australia. You can't dictate to children how they should live their lives; you can only advise, and they have the right to reject or accept your advice."

He hopes other alumni and faculty of the Herzlia school will get the aliyah message. At the reunion of the 300 Herzlians now living in Israel, held in Tel Aviv recently, pictures were displayed of Herzlians as they were in their school days, and as they are now at their homes or jobs in Israel. These pictures will be shown in South Africa in the hope of encouraging potential olim.

Katz also hopes Herzlians living in Israel can be a resource for absorption of their fellows who come on aliyah, to help them deal with the bureaucracy, make friends and find jobs. "Again, we don't preach," he emphasized. "The message is indirect, through encouragement and help. Each individual has to make his or her own decision."

## CLASSIFIEDS

### DWELLINGS

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NORTH TEL AVIV apartment rentals — Contact specialists "Inter-Israel," Tel. 03-294141.

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BUY men's, women's, children's clothes and household goods, inheritances, Tel. 03-291649.

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ENGLISH Typists, Secretaries, permanent jobs, STERLING Agency, Tel. 03-906169.

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OCEAN COMPANY LTD. Expert, reliable movers with 35 years' experience. Professional packing and shipping worldwide. Special rates to U.S.A., South Africa, U.K. Operating all over Israel. Best insurance rates on the market. Tel. Haifa 04-523227 (3 lines), Tel. Aviv, 03-296125, 03-299582 (evenings) 03-483032.

### PEIS

DOG, FEMALE approximately 4 months old seeks warm home. Tel. 02-586505, afternoons.

very long rainless periods.

Ferns. In our last column (December 21, 1982) we described winter care (indoors and outdoors) for ferns. Here are more particulars about these very decorative and interesting plants which are so different from all other common evergreens.

Growing a plant which has neither flowers nor seeds is no simple undertaking. To know the requirements of ferns and to treat them accordingly, you have to become familiar with their natural living conditions.

Through the ages, ferns have developed distinct habitat preferences. Some have become terrestrial (from *terra* — earth), growing in woods and partly shaded fields, at the entrance of caves, as well as in swamps and mountains. Others have become epiphytic,

dwelling on tops of jungle trees like bromeliads or some kinds of orchids.

The "heart" of a fern is a rhizome-like thickened stem from which thin, black roots spread sideways and downwards. The beauty of these plants is in their decorative leaves.

Spores develop in minute capsules called sporangium on the underside of the foliage. Like a seed, they carry the germ of life for succeeding generations. As the spores mature, they separate from the sporangium and disperse in all directions. Some drift away in rainwater, some fly with the wind — and many times new fern plants emerge where you never expected them.

DON'T USE garden tools for cultivation of ferns. If you use light, sandy soil with compost, the ferns

won't need cultivation. Remove all weeds by hand. By lifting a single clod of earth with a hoe, a spade or a gardenfork you may kill a whole generation of young ferns.

Once I bought a sword fern (*Nephrolepis exaltata*) for my daughter and planted it in her garden at Neveh Monosson, near Ben-Gurion Airport. The soil there is a sandy loam and the fern thrives there under shrubs and bigger cacti in partial shade. When she asked me for advice about care and propagation, I told her: "Just keep it moist. Don't interfere. Let nature do the job for you."

Last week, five years later, I found the fern still robust and growing, with more than 100 healthy "children." The "running" roots and characteristic feathered leaves now cover several metres of the shady garden bed — all without any feeding or cultivation.

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## Elusive goals

AFTER A WEEK of largely fruitless efforts to come up with an agreed agenda, the parties to the Israel-Lebanese talks, including the Americans, are meeting in Haifa again today. So far, progress in the talks has spelled success by each party in out-manoeuvring the other on the shape of the agenda. Some way around this initial stumbling block — not a "breakthrough," that badly discredited word — may soon be found, but how far-reaching it would be is uncertain.

For the record, both Israel and Lebanon are sticking to their hard opening positions. Although Israel has agreed to rename the normalization it craves with Lebanon "normal bilateral relations," it stands firm on the demand that the idea of normalization, in whatever lexical guise, should be on the agenda. Foreign Minister Yitzhak Shamir has made that plain in instructions to the Israeli negotiators.

President Amin Jemayel, however, in a New Year's address to his people, has reiterated Beirut's claim that the talks are designed to secure the restoration of Lebanon's sovereignty over its entire territory. In other words, their purpose is to get all foreign forces now in Lebanon out, not to establish good-neighbourly relations with Israel.

In private conversations with Israelis, some Christian Lebanese representatives are said to voice sympathy for Jerusalem's aspirations. A peace, even a *de facto* peace, between the two countries is indeed well worth striving for, they concede. They did so earlier, too, when Defence Minister Ariel Sharon interpreted their sentiment as an official endorsement of the whole Israeli programme.

But Lebanon, these Lebanese spokesmen aver in the same breath, cannot go it alone. Egypt, strong and united, could afford to run the gauntlet of Arab opposition to its separate accommodation with Israel. But Lebanon, with one-third of its territory under Syrian occupation, its economic welfare overwhelmingly dependent on the Arab hinterland, and its internal fabric a model of communal disharmony, cannot follow suit.

For that reason, they warn, anything like full normalization, publicly acknowledged, with Israel, is for the present an impossibility.

In its current mood, Israel is unlikely to subscribe to this argument, and the difference of approach would seem to threaten continued stalemate. To move the talks off dead centre, and to create the appearance of movement, it has been suggested — and the cabinet yesterday gave its blessing to the proposal — that there be an initial withdrawal of foreign troops from Lebanon.

Under the proposal the PLO would wholly evacuate Lebanon, the Syrians would pull out from the Beirut-Damascus highway to the Bekaa, and Israel would leave the Shouf mountains. This should presumably be acceptable to all concerned. The Lebanese would expand somewhat the laughably small area at present under their direct control, the Syrians would shorten their lines while Israel would cut its almost daily losses in men for which its only reward is constant accusations by the warring Christians and Druse in the Shouf that the IDF is favouring the other side.

Beyond such an initial withdrawal, however, the prospects for further progress seem rather dim.

The Syrians are not likely to budge, at least not without another war, from the Bekaa so long as they have not effectively barred the Beirut government from striking a political deal with Israel. The Syrians, it is said in Jerusalem, are a problem for the Americans. But the Americans have little leverage over the Syrians, and for this reason alone are apparently advising the Lebanese to steer clear of anything like a formal peace with Israel.

All considered, it would seem to be safer for Israel to focus on the more realistic goal of procuring the peace of Galilee through security arrangements in southern Lebanon and a Syrian withdrawal from the eastern part. By pursuing the will-o'-the-wisp of full normalization this country may only be getting itself bogged down in a procedural wrangle that would impede its disengagement from Lebanon.

## Coping with snow

THE FACT that Israelis talk so seldom about the weather is a tribute to the excellence of our climate. About a different land, Mark Twain complained that everybody talked about the weather, but that no one did anything about it. Nobody could say anything like that about Jerusalem this year. Everybody was loud in their praises of two bodies normally as maligned as mothers-in-law in music-hall jokes: the weather forecasters and the Municipality.

The meteorologists told us what was going to happen with such pinpoint accuracy that they seemed to have a hot line to the heavens. They made it abundantly clear that New Year's Day in the capital was not going to be an occasion for wassail and riotous living; that it was to be a time to huddle around heaters. The Municipality cleared the roads and kept normal life going with remarkable speed.

The snow made us all intensely aware of how hard a time our soldiers are having in Lebanon. If snow was thick in Jerusalem and even thicker on the Golan Heights, we can imagine how severe conditions were in the mountains of Lebanon. We trust that the Israel Defence Forces emulated the speed and efficiency of the Jerusalem Municipality in modifying the dangers, distress and discomfort of the snow.

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# Imperfect solutions

By ZALMAN SHOVAL

AFTER THE completion of the Israeli withdrawal from Sinai — and especially after Lebanon — the Palestinian problem is the central issue in Israeli affairs, both domestic and foreign. Contrary to the belief in some quarters in Israel, the obliteration of the PLO's military capability has not automatically resulted in its political demise, nor has it made the Palestinian question "disappear."

Immediately after the successful conclusion of the Camp David conference, there was a general feeling that the PLO — thanks to the autonomy proposal — had become largely irrelevant.

Events proved otherwise, mainly because the parties to the agreement did not achieve sufficiently swift progress on autonomy.

Now, after the PLO's military defeat — with the Arab world looking on from the sidelines and the Arab population of Judea, Samaria and Gaza giving less than enthusiastic support to their Palestinian brothers in Lebanon — the PLO could again become redundant. That is, if one does not adopt the erroneous and dangerously simplistic views embraced by those Israelis who believe that after the PLO's military defeat the Palestinian problem would somehow "disappear" or that of Western politicians who believe that, conversely, a somewhat "neutered" PLO would become a suitable partner in political negotiations.

On the other hand, many Palestinians may now better understand that because of the PLO's extremism, they are once again on the losing end of an "all or nothing" situation: indeed, that because of the illusory goal of a separate Palestinian state, other possible solutions were never brought to fruition and the suffering of the Palestinian refugees was intolerably and unnecessarily prolonged.

WHEN DISCUSSING the Palestinian problem — or any other problem — the instinctive reaction is to define the problem and find a solution to it. This is certainly the attitude of Americans who were raised in the no-nonsense tradition of arriving at a suitable and satisfactory solution after a rational examination of the problem.

However, any student of history knows that there have been conflicts between peoples, races, countries and religions which have taken centuries to resolve — and that some have never been resolved at all.

The Middle East certainly could provide more than one example of problems which have not been conclusively settled. All this does not mean, of course, that one should despair of arriving at equitable answers to the Palestinian question.

It does, however, mean that this process may take time, and that instead of aiming for "full" and "conclusive" solutions, which may not yet be in sight, one should attempt rather to arrive at formulae which could serve to alleviate the fierceness of the Palestinian problem.

From the Arab point of view, the proper description should perhaps be the "Israeli problem" — for many, though not all, Arabs still

refuse to accept the legitimacy of a Jewish "infidel" state in the midst of what they consider a fundamentally Arab-Muslim part of the world.

In this respect there exists a clear asymmetry: Israel acknowledged (in the Camp David agreements) the "legitimate rights and just requirements" of the Palestinians, while extremist Arab opinion, as exemplified by the PLO, continues to deny Israel's very right to exist.

AT THE HEART of the problem, however, is the basic fact of two separate peoples laying claim to the same country. Any attempt to tackle the problem without taking this fundamental fact — as well as its deep, emotional implications — into account, would be futile.

Any just and realistic solution to the Palestinian problem would, therefore, have to go at least some way in the direction of satisfying the separate national and cultural aspirations of the Palestinian Arabs — without, however, denying Israel's own rights or its vital security interests.

In theory, several directions could be possible, including the following:

Firstly, the outright incorporation of the lands of Judea, Samaria and Gaza into the State of Israel, while granting the Arab Palestinians living there self-administration in a number of areas. This is the Likud's approach.

Secondly, the ceding of the above "territories" to Jordan, while agreeing on some arrangements to satisfy Israel's security needs. This is similar to the "Reagan plan."

Thirdly, the establishment of a separate Palestinian state in the "territories," with agreement on its demilitarization.

Fourthly, the partition of the West Bank and Gaza regions between Israel and Jordan. This is the traditional Labour approach.

Though each of these positions may have some merit, I do not believe that any of them, standing alone, would be practicable, or even desirable, at the present time. What may be required instead is a combination of some of the underlying concepts of all of them.

THE PALESTINIAN question and the autonomy proposal had been part and parcel of "the framework for Peace in the Middle East," which was agreed on at Camp David.

However, it soon transpired that the ambiguous nature of the agreement — which could have been its greatest advantage if the parties' approach to implementing it had been flexible and far-sighted — turned into a drawback when the negotiations got bogged down in legalistic details or when one or more of the parties tried to read into the agreement matters which were not, and politically could not have been, included in it.

In the months preceding the Lebanese war, Israel had embarked on a programme in the West Bank and Gaza which was designed to change the local leadership and provide a stronger voice for those who had declined to live and act under the PLO banner.

It is still too early to assess either the validity of this concept or the chances of its success. True, it has

been shown that the PLO's hold over the majority of Palestinians was not as strong as it was often assumed to be.

It is, for example, significant that during the fighting in Lebanon, practically no Palestinians heeded the PLO call to refrain from working in Israel. Nor were there any great outpourings of solidarity with the lot of the Palestinians in Lebanon.

In addition, the violence which occurred in the territories last March — as a prelude to Israel's final withdrawal from Sinai — were not as serious as they were sometimes made to appear on TV, and Israeli security forces were able to cope with them.

However, after having said that, the real point remains the political one, not that of public order, and in this respect serious questions remain.

PRIME MINISTER Menachem Begin probably aims at creating a local, somewhat restricted, autonomy for the Arabs living in the West Bank and Gaza areas, with the territory itself ultimately coming under Israeli sovereignty.

While that might not be in contravention of the Camp David accords — provided the legal act of imposing sovereignty does not occur before the end of the five-year "transitional" period — the proposed scheme would probably create more problems than it would solve.

One question which immediately comes to mind, for example, concerns the personal legal status of the million or so Arabs living in the territories. Today, they are Jordanian citizens, holding Jordanian passports; but what would happen tomorrow? Will they be asked to adopt Israeli citizenship (and seriously destabilize the country's demographic situation)? Will they be left without citizenship or passports? Or will they, perhaps, be expected to turn into "expatriate Jordanians"? The answers to all these questions are not encouraging.

What other solutions are there then? I reject the possibility of creating a separate Palestinian state in the West Bank and Gaza, nor do I believe in either the feasibility or the advantage of incorporating the territory and population of Judea, Samaria and Gaza in their entirety into Israel.

I would, however, like to propose another line of thought — one which would bring the Camp David process to a logical and politically tenable conclusion. I refer in this context to a synthesis of the following three separate, but not necessarily mutually exclusive, concepts — condominium, autonomy and territorial arrangements.

ALL THESE are formulae of compromise — and compromise there must be in a complex situation of this sort. The basic premise of my approach is that in Palestine — west and east of the Jordan River — there is room for only two states: a Jewish one — Israel — in the west; and an Arab one — Jordan-Palestine — in the east. Between these two sovereign countries there is a small but crucial area to which both these two nations have a

## Dry Bones



legitimate claim and which neither will voluntarily relinquish — or rule in exclusive totality. Therefore, sovereignty over the whole area of Judea, Samaria and Gaza should be jointly held by Israel and Jordan.

There would be a specified and divided allocation of the powers of government between the two states. The area would subsequently be subdivided into predominantly Arab and Jewish "cantons," though both Arabs and Jews may, if they so choose, live in each other's cantons.

The Arab "cantons" will be autonomous in all respects except foreign affairs and military affairs, but they will enjoy a special relationship with Jordan. Their Arab residents will hold Jordanian or Jordanian-Palestinian passports, and they will vote in elections for parliament in Amman as well as for their own "autonomy" institutions.

Jewish "cantons," which should be more or less identical with the "specified security locations" mentioned in the Camp David agreements, would be governed, for all practical purposes, like any other area in Israel itself, and their inhabitants would vote in the Knesset elections — though, formally speaking, Israel would enjoy only joint sovereignty there.

This pattern, could not, of course, be applied immediately, but it has the additional advantage that (like Moshe Dayan's "unilateral" or "de facto" autonomy, of which it is a natural extension), Israel can establish it unilaterally by creating a *de facto* model to which Jordan could accede in the future.

This idea fits in with the basic concept that there cannot be a solution to the Palestinian "problem," except one which is in principle based on the premise that Jordan is part of Palestine.

Not only that the League of Nations mandate over Palestine, accorded to Britain after World War I, had originally included the areas on both sides of Jordan River, but most Palestinian Arabs, of whatever political colour, perceive Jordan as being a part of Palestine.

One of the greatest propaganda achievements of modern times is

that the notion has been so widely spread that the "Palestinian problem" is a question of a "homeless people," rather than a question of the Arabs' denial of Israel's right to exist even in parts of historic Palestine, or the refusal by some, perhaps most, Palestinian Arabs to see in the Hashemite Kingdom a realization of their national dreams and aspirations.

ALL THIS despite the fact that out of about three million Palestinian Arabs, including residents of the West Bank and Gaza and refugees who live in the area, 65 per cent hold Jordanian citizenship. About 66 to 70 per cent of East Jordan's own population — excluding that of the West Bank — are Palestinians. Moreover, nearly 80 per cent of Amman's residents are Palestinian.

Most of the leading positions in government administration; business, teaching, etc., are in Palestinian hands. By all recognized criteria, Jordan is already a *de facto* if not a *de jure*, Palestinian state, a fact that leading Arab politicians have often acknowledged.

The PLO, too, in most of its ideological and political pronouncements, has stated that Jordan is part of Palestine. The concept of the oneness of Jordan-Palestine, which is also the basis of the "Reagan Plan" is, therefore, quite correct. But it can only be viable and practicable if it takes into account the "legitimate rights and just requirements" not only of Palestinian Arabs but also of the Jews, the people to whom Palestine is, and has always been, the sole national homeland.

To share these rights may be just and necessary — and Camp David and ideas like those suggested in this article could show the way to such a solution. But the Reagan Plan in its present form cannot because it does not sufficiently take account of this reality.

Zalman Shoval is a former Rafi-Telem MK. This article is adapted from an article published in the autumn issue of *Politique Internationale*, Paris.

## READERS' LETTERS

### ANTI-SEMITISM IN GERMANY

To the Editor of The Jerusalem Post Sir, — Your article, "Behind German masks" (December 10) seems to me highly distorted. My wife and I have just returned from a two-month visit to Germany and, although we came in contact with very many people, we did not encounter a single anti-Semitic remark. Nobody expressed sympathy for the events in Beirut; we did not expect this. Sure, we saw graffiti on the walls "Israel out of Lebanon," but this was one among hundreds which defile the walls of all public buildings in Germany.

On the other hand, I was invited to give an interview on Israel at Radio Bremen — albeit not on a political theme. The mayor of a major town had his picture taken with us and it was published in the newspapers the following day with

the clear indication that we were Israelis. He would not have permitted this if there were the slightest fear for his political career.

I certainly do not wish to defend the Germans (being a victim of the Holocaust myself), but I dislike generalizations. What worries me most is the trend in many places here to try to get rid of our guilt feelings by ascribing sinister plots to all Gentiles. After our return from abroad, we were asked by many people about our nasty experiences with anti-Zionism or anti-Semitism, and when we replied that we had had none, I felt that people were not only disappointed, but outright angry with us, accusing us of deliberately closing our eyes.

E. NETIVI

Haifa.

### ERAN NEEDS VOLUNTEERS

To the Editor of The Jerusalem Post Sir, — We, the volunteers of ERAN, have been working steadily for years manning the telephone, ready to try to be a comforting and sometimes helping factor to those who are in distress.

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ZIYA ELIEZER, Secretary,  
SPCA HaSharon

### ARGENTINE JEWS

To the Editor of The Jerusalem Post Sir, — Yes, there is something worse than spending years not knowing if your child is dead or alive, and that is knowing that you could have spared your child his suffering and/or death if you had taken your family to Israel before it happened. This is my reply to the statement made by Argentine Rabbi Marshall Meyer, whose views were made known both in *The Jerusalem Post* (December 10) and on *Kol Yisrael* Radio.

I have no sympathy for the Jews of Argentina. For 34 years, Israel has stood with its doors open. Those who chose comfort and stayed in the land of their exile have no one to blame but themselves for their sufferings at the hands of anti-Semites.

Rabbi Meyer says that, if he had the magic button, he'd press it to get every Jew out of Latin America. He is that magic button. Like Moses, he is in a position to lead his people to the Promised Land.

REBECCA NUDELMAN

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### COSYING UP TO THE WRONG PEOPLE

To the Editor of The Jerusalem Post Sir, — Israel's Minister of Defence, Ariel Sharon, and the Minister of Foreign Affairs, Yitzhak Shamir, have been competing throughout the world in an effort to cosy up to the most rotten governments and thus sully Israel's reputation.

The defence minister has just returned from Honduras and has praised its "liberal" regime — witness the hundreds of peasants who tried to escape from El Salvador to Honduras and were slaughtered in cold blood by Honduras' frontier guards.

Foreign Minister Shamir can boast of his own achievements: he went to Argentina to visit a regime whose anti-Semitic prison wardens pick Jewish prisoners for special mistreatment. Shamir also chose the right time for his visit — when the military regime is shaky and liable to fall shortly. Undoubtedly, the regime which will replace it will remember our gesture.

Government supporters claim

that we have no choice in the matter, since there are dictatorships in most countries of the world. This is true, but somehow, Israel manages to pick its friends among the most corrupt and oppressive regimes, some of which even the U.S., not particularly choosy about its friends, refuses to have anything to do with. Moreover, Israel's relations with these regimes are mostly based on the sale of arms, and nobody engaged in this trade can pretend to ignore their purpose. In some cases, Israel goes even further: for instance, in Zaire, we are helping Mobutu set up his secret police, along the lines of the Shah of Iran's infamous Savak. Thus, we will have a direct role in the deeds the Zaire secret police will commit and we will pay a high political price for it, just as we did in Iran.

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